

The NATIONAL UNDERWRITER

LANDING SHIPS - TANKS - MEN TRAINED TO HANDLE THEM!

American efficiency and engineering skill and ingenuity have accomplished the impossible.

American loyalty and stamina and morale will keep us backing our fighting men to the last shot.



FIRE-MARINE-CASUALTY-SURETY
Loyalty Group
INSURANCE

Firemen's Insurance Company of Newark, N. J.
Organized 1855

The Girard Fire & Marine Insurance Company
Organized 1853

National-Ben Franklin Fire Insurance Company
Organized 1866

The Concordia Fire Insurance Co. of Milwaukee
Organized 1870

Milwaukee Mechanics' Insurance Company
Organized 1822

Royal Plate Glass & General Ins. Co. of Canada
Organized 1906

The Metropolitan Casualty Insurance Co. of N.Y.
Organized 1874

Commercial Casualty Insurance Company
Organized 1909

Pittsburgh Underwriters - Keystone Underwriters

HOME OFFICE - 10 PARK PLACE - NEWARK 1, NEW JERSEY

Western Department
120 So. LaSalle St.
Chicago 3, Illinois

Foreign Department
111 John St.
New York 7, New York

Canadian Departments
445 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

Southwestern Dept.
912 Commerce St.
Dallas 2, Texas

Pacific Department
220 Bush St.
San Francisco 4, Calif.


BUY MORE BONDS - - AND KEEP THEM

Official U. S. Navy Photograph

THURSDAY, AUGUST 9, 1945

R Do You Know the Origin of This Symbol?

WELL . . . NEITHER DOES ANYONE ELSE!

It appears on present day prescription blanks and simply indicates that the formula written thereon is a recipe. It also means "to take" or "take of". In ancient times it appeared on prescriptions as the sign of the god, Jupiter  under whose divine protection medicine was placed. It was intended as an invocation for his help or mercy and probably was asked in behalf of the one who had to swallow the dose.

From there on back it has been traced through the centuries to hieroglyphics and was always identified with healing or protection though the reason for this is unknown.

Appropriately enough this symbol is featured in a new circular of **The Preferred Accident Insurance Company** known as the . . . "**Combination Drug Store Circular**". This is certainly a recipe for protection!



If your Druggist could take a mortar and pestle and grind out the salient features of this policy he would learn that it covers for —

DRUGGISTS LIABILITY
PERSONAL INJURY
ROBBERY
KIDNAPPING

SAFE BURGLARY
OPEN STOCK
DAMAGE RESULTING FROM BURGLARY
LARCENY AND EMBEZZLEMENT

The sound investment represented by this policy justifies a call upon your local Pharmacist which might lead to your writing more than the Drug Store Combination Line.

Write for a circular and specimen policy to the Home Office or any of its branches:

*The Preferred
Accident Insurance Company
of New York*

Established 1885

80 MAIDEN LANE, NEW YORK 7, N. Y.

Edwin B. Ackerman, President

BRANCH OFFICES

Boston • Buffalo • Chicago • Los Angeles • Philadelphia • Pittsburgh • San Francisco • Newark • Detroit • Minneapolis

the word "FLOATER" may suggest this . . .



but do you know what it means in Insurance?

Most fire insurance policies are issued to cover property at a specified location.

However, some forms of property, by their very nature, are moved from place to place and it is desirable that they be insured wherever they may be: For example, personal luggage, jewelry and furs, merchandise in the process of manufacture. To use more picturesque language, such property "floats around" and insurance covering it is called a "floater policy."

Floater policies illustrate the great flexibility of modern insurance. And

to enable you to obtain the protection that you need . . . promptly, easily and economically . . . the Aetna Insurance Group sells only through reliable local agents and brokers. These representatives give you valuable assistance, both when you buy insurance and in the event of loss.

It is a further satisfaction to know that when your insurance is with a capital stock company such as those comprising the Aetna Insurance Group, it is backed by both a paid-in capital and surplus. You are never liable for assessment.

MEMO

TO BROKERS AND AGENTS

Taking the mystery out of insurance language is one way of building a better understanding between the public and the insurance business. This advertisement also appears—in color—in the August 20th issue of *Time*, the weekly news magazine . . . reaching over 1,000,000 buyers of insurance from coast to coast. The Aetna Insurance Group, W. Ross McCain, Pres.

DON'T GUESS ABOUT INSURANCE—CONSULT YOUR LOCAL AGENT OR BROKER



Aetna Insurance Group

HARTFORD, CONNECTICUT

AETNA INSURANCE CO. • THE WORLD FIRE & MARINE INSURANCE CO. • THE CENTURY INDEMNITY CO.
 PIEDMONT FIRE INSURANCE CO. • STANDARD INSURANCE CO. OF N. Y. • STANDARD SURETY & CASUALTY CO. OF N. Y.

Listen to
 EARL GODWIN
 Blue Network
 Thursdays 8:15 p.m., E.W.T.



"First Bale!"

The cry of "first bale" will resound through countless Southern plantations in a few weeks, as King Cotton holds his first court of the season in the country markets.

This commodity, so necessary in war and peace, had to reach maturity to become really useful. So it is with your War Bonds—the "ripening" process goes on automatically as long as you are willing to hold them. And the person who cashes them in now not only sees his principal disappear for purchases made under war-time conditions, but loses by far the greater part of what gain he or she would have by holding them.

Next time you think of cashing in your bonds—think of the day when you will get your money's worth and *more*. Hold them and remember why you bought them!

★ THE HOME ★
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE

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FTC Angle Looms In Memorandums of All-Industry Group

**Clayton, Robinson-Patman
Acts Cause Little Concern;
Group Meets This Week**

NEW YORK—Not quite all of the 15 insurance groups that were scheduled to exchange memorandums on the Clayton, federal trade commission, and Robinson-Patman acts got their treatises in the hands of the other groups in time to permit detailed study in advance of the meeting of the all-industry committee here this week at the Waldorf-Astoria, but it appears that the F.T.C. act is uppermost in the minds of those who feel that any of these three laws will affect the operations of their group.

The interlocking directorate portion of the Clayton act is getting some thought, but the Clayton act is in the nature of an amendment to the Sherman act and it is believed that whatever is done to take care of the Sherman act can be applied to the Clayton act too.

The fact that the federal trade commission is given such broad powers of initiating and conducting investigations and issuing "cease and desist" orders, together with its impressive record of getting the courts to uphold its orders, seems to weigh heavily with a good many of the insurance groups. The federal trade commission's big weapon is the unpleasant publicity it can give any company or group it chooses to go after. Its "cease and desist" orders have no legal force but if anyone defies them he is taken to court and there is further publicity. Not all of the F.T.C.'s orders have been upheld, but the odds, based on experience, are heavily in favor of the F.T.C.

Among those groups which had got their briefs into the hands of their fellow committee members by last week end were Life Insurance Association of America and American Life Convention (joint memorandum); National Board of Fire Underwriters, Association of Casualty & Surety Executives, National Association of Insurance Agents (preliminary memorandum, filed in May), American Mutual Alliance, National Association of Insurance Brokers, National Fraternal Congress, National Association of Independent Insurers, which was organized only recently to represent the non-affiliated companies; Health and Accident Underwriters Conference, Associated Factory Mutuals, and National Association Independent Insurance Adjusters.

(CONTINUED ON PAGE 12)

Heavy Loss in Port Arthur Grain Elevator Explosion

Preliminary estimates placed at more than \$1 million the loss to the No. 5 grain elevator of Saskatchewan Pool Elevators Co. at Port Arthur from a blast Tuesday. The top and most of the walls of the \$1¼ million elevator were ripped off. In storage at the time was \$1¼ million worth of grain. More than a dozen workmen were killed.

Saskatchewan Pool Elevators Co. has its own insurance buying organization

Finance Firms to Use Agents; Banks to Loan Two Ways

Several finance companies already have indicated their intentions of handling their financing of automobiles through local agents who will write the insurance, and some already are doing so. This is, of course, in addition to the large finance companies like Commercial Investment Trust and Commercial Credit Corporation with insurance companies and agency plants.

In comparison with the number of finance companies and the total volume of business done by them, the number of those who will operate through agents exclusively or through both agents and via the traditional arrangement with dealers and insurance companies on a wholesale basis, is small.

General Securities Corporation of Worcester, Mass., plans to put a draft book into the hands of agents appointed as their representatives so that the agent himself can make the loan, draw the draft and complete the transaction. This should make quite an appeal to agents, and the finance company secures the additional advantage of having the local agent working for it. It should be successful, particularly in towns and cities where local banks do not do the job or are not too well equipped to do it. Many agents undoubtedly would rather deal with a finance company on a basis of this kind than as a member of a pool containing a number of agents in the community.

General Finance Corporation of Chicago, which has an insurance company, Mid-States, will handle business both ways. It has a special plan for agents. Associates Investment of South Bend works through the Emmco insurance companies and Agents Finance of Indianapolis in creating much interest in its program.

Except in smaller cities and towns and except for the smaller suburban banks, few banks are expected to go exclusively on the bank-agent plan of financing and insuring automobiles. Many of the banks have arrangements with finance companies that are of long standing, and even if they didn't, they would hardly turn down a request for loans from well operated finance organizations. Many of them will offer finance companies lines of credit for their operations, or buy their paper, which might be termed wholesale business, and at the same time participate in the bank-agent plan on a retail basis.

The agent will not find it too difficult to learn when his clients are going to buy automobiles and then make arrangements for financing with the bank and insuring with him. However, bankers and finance organizations point out that the latter do business on a wholesale basis with thousands and thousands of customers. For the agent to get a considerable portion of this volume would require a great deal of work. Whether the agent is willing to go to this much trouble, or has time to, or can afford to for the commission he earns on automobile business are questions which only the future will answer. One view, which may be very pessimistic, is that the agents will not get more than 3% of the business customarily handled through the finance-automobile dealer setup.

Banks already are making arrangements with finance companies, if they do not already have these relationships firmly established from the past. While

and usually purchases coverage in the open market and not through the Canadian grain insurance pool.

Salvage of "Hawaii Mars" Will Be Closely Studied

NEW YORK—No crash insurance was carried on the "Hawaii Mars," world's largest flying boat in operation, which sank in Chesapeake Bay Sunday after a semi-controlled 125-miles-an-hour landing split its hull during a test flight. The ship was one of 20 being built by the Glenn L. Martin Co. for the navy. Under the navy's arrangement with the Martin company, the navy assumed the financial responsibility for crash damage even on test flights. Insurance against land perils was carried with Associated Aviation Underwriters, as was personal accident insurance, on the crew, one of whom, R. S. Noble, flight test engineer for Martin, suffered cuts and contusions and possible internal injuries. There are group hospitalization and workmen's compensation coverages on the crew members but these were not written through any of the aviation underwriting groups.

No figure on the ship's value was available from the Martin Company. The original Martin "Mars" was generally understood to have been insured for \$1½ million and the "Hawaii Mars" is even larger.

Despite the absence of crash insurance on the "Hawaii Mars," aviation insurance underwriters are keenly interested in the salvage operations, as such an accident could, of course, happen to a plane carrying crash coverage. Salvage operations should give not only an accurate idea as to what happens when cold salt water hits hot engines of this type but also how effective rapid cleaning up and dismantling can be expected to be.

Mich. Tax Test Suit Set for This Week

LANSING, MICH.—Test litigation instituted by Prudential and Massachusetts Mutual Life, challenging constitutionality of Michigan's premium tax law, is set for trial this week before Circuit Judge Leland W. Carr of Ingham county.

Maurice Moule, assistant attorney-general, who is advisor to the insurance department, is handling the case for the state, while Edward P. Wright of the Detroit law firm of Dickinson, Wright McKean & Cudlip, will represent the companies. Mr. Moule said counsel have stipulated most of the facts so that time spent in presentation of issues and arguments in court should be minimized, probably making possible completion of the trial within a maximum of two days. It is anticipated that no immediate decision will be forthcoming, the probability being that the court will take the matter under advisement and prepare an opinion later.

While Prudential won a round in a similar suit in Indiana county court, Mr. Moule said he was encouraged by the fact that the decision was divided 3 to 2, indicating possibility of a supreme court reversal.

many of them learned to appreciate the possibilities of the retail type of loan during the depression years, it may simply resolve itself into whether the bank-agent plan can use anything like the total amount of money the bank has assigned to loan in this field. If not, then banks are going to look around for outlets that can take large amounts of money and earn interest on it.

Col. Hill German Insurance Director Under Allied Group

**Lt. Col. Pullen Is
Named New Army
Insurance Chief**

WASHINGTON—Col. Reese F. Hill, who organized and built up the War



Col. Reese F. Hill

Department's contract insurance division, has been ordered to Germany to serve as director of insurance under the allied control commission in that country. He and State Department representatives will work towards de-Nazification and decartelization of the German insurance industry.

Lt. Col. W. E. Pullen, formerly of U. S. Fidelity & Guaranty, Baltimore, succeeds him as chief of the contract insurance division in which he has been serving as assistant chief.

Col. Hill, now on leave of absence here until Aug. 13, is expected to leave for Germany next week, probably Aug. 14. Pending an official announcement from the War Department, he is not in position to discuss his new assignment or his prospective work.

Others Expect to Go

After he gets established in Berlin, some of Col. Hill's associates in office here expect to be called over to assist him in his job. Maj. James Hamilton and Maj. Arthur Kuenkler are mentioned in this connection.

The new director of German insurance is expected to try to get the German insurance industry operating in such a way as to prevent it taking in too many American dollars. The allies are represented as wanting American and British insurance interests to get their share of the business in Germany.

Reinsurance Cartel

There are many German insurance companies, some of them in Germany, others operating from Switzerland, Sweden and possibly other countries. The German industry heads up in a gigantic over-all reinsurance cartel. German cartels are anathema to allied authorities, both military and economic, who propose to break them up, as far as possible.

Col. Hill's orders came as a surprise to industry representatives here who knew that a request made by allied military authorities last winter for his assignment to duty with the allied control commission had not been granted or approved by qualified higher up officers in the War Department here.

More recently, however, it is understood that the request was renewed by Gen. Eisenhower, United States representative on the commission, through his deputy, Lt. Gen. Lucius Clay. Clay was formerly chief of staff to Gen. Somervell, head of the army service forces, under which comes the contract insurance division, so he knew about Hill and his work. The second request could not be denied.

N. Y. Building Owners Still Cool Towards E. C.

NEW YORK—The crash of an army bomber into New York City's Empire State building appears to have produced no rush among the owners of large buildings to add extended coverage to their fire insurance. Not many of the large fireproof office buildings have extended coverage, mainly because of a feeling that the rate, though low, is still too high for the hazards covered which are believed to be incapable of effecting a loss of any severity. Explosion and aircraft damage are the only perils in which an office building owner might be interested.

The feeling among owners is that no explosion or no aircraft could do enough damage to a large building to warrant the annual outlay for extended coverage that would be necessary to avoid a co-insurance penalty. For example a \$10 million building would have to be insured for \$8 million. Even with a 2 cent E. C. rate the annual premium would be \$1,600 and it is difficult to convince a building owner that an explosion or an airplane crash could do enough damage to warrant such an outlay year after year.

As to the windstorm feature of extended coverage, the building code is very strict and the wind-bracing in steel structures is such as to withstand heavier gales than any that have come along. Hence the building owners consider that under windstorm coverage they could never collect anything but very trifling claims.

Mutuals Announce Dividend Cuts

Michigan Millers Mutual Fire of Lansing announces a reduction in dividends to policyholders. Effective Sept. 30 the dividend will be 15% on all lines except on dwellings, apartments and their contents occupied solely for dwelling and apartment purposes. In that latter classification the dividends will continue to be 20%.

President S. L. Baker in making the announcement stated that Michigan Millers has always tried to plan for the future in a conservative way. He states that the past two or three years have been exceedingly difficult for all insurance companies and losses have been heavy. There have been drastic reductions in rate levels and coverages have been broadened. Losses have increased and in view of the uncertainties that lie ahead, he said the management believes that it's prudent to take a conservative attitude by adjusting dividends in line with conditions that exist.

The dividend scale of the Improved Risk Mutuals effective Aug. 31 is being reduced to 17%. It has been 20%. The reduction is attributable to the increased losses and rate reductions.

Lumbermens Mutual of Mansfield, O., has reduced dividends on U. & O. and on certain metal working classes from 20% to 10%.

T. J. Flynn Rounds Out 53 Years

Thomas J. Flynn, brokerage manager for Corroon & Reynolds at Chicago, is rounding out 53 years in the business Aug. 15. He started in the western department of Niagara and Caledonian as office boy when I. S. Blackwelder was manager. He worked in various positions including that of examiner. He was connected with the old Sterling Fire of Indianapolis when James F. Joseph was manager. He served as state agent in Illinois for that company and later became Mr. Joseph's assistant at the head office. Later he was state agent of Dubuque F. & M. in Ohio and Indiana. He has served in his present position for 16 years.

Motorist Gets Skunk, Car Gets Reupholstered

A claim paid recently under the comprehensive automobile policy concerned a skunk. A man and his wife who had been out shopping returned home and unloaded their car in front of their house. Both of them had their arms full of packages and left the rear door of their car open while they carried the bundles into the house. When they went back to their car they found a skunk inhabiting the back seat. The man seized a stick and tried to kill the skunk. The resulting damage necessitated reupholstering the entire interior.

Illinois Agents Convention in Nov. Canceled

The annual convention of the Illinois Association of Insurance Agents to have been held Nov. 7-8 in Pere Marquette hotel, Peoria, has been canceled by the executive officers at a conference, due to the ODT wartime restrictions.

There will, however, be an abbreviated meeting of the board at the same place Sept. 27-28, at which reports will be considered and the results of a mail vote on new officers will be tabulated and announced. A nominating committee will be named to prepare a slate which is to be voted on by a mail ballot that will be sent soon to accredited members.

Washington Consolidation Plan Nears Completion

WASHINGTON—Completion of organization of the bank-agent plan here and of consolidation of the Insurance Club of Washington and the Insurors Association of the District of Columbia is expected in the fall, with meetings to accomplish those purposes probably to be held in September.

Albert Phillips is chairman of a joint committee working on details of the bank-agent plan.

Constitution and by-laws for the new consolidated group have been drafted by committees headed by Nelson Bean of the insurance club and Ralph Barker of the insurors association.

These documents will go before separate meetings of the two organizations, probably in September. If approved by them the consolidation plan will be adopted in a joint meeting of the two groups, and is expected to become effective in October.

The proposed new constitution is said to follow rather closely the constitution of the Insurors Association and of the National Association of Insurance Agents, with some minor changes.

It is understood there would be three kinds of membership: (1) full voting, limited to commission agents and brokers, (2) associate, non-voting, to include other insurance people, and (3) honorary.

McMonigle, Insurance Man, Idaho Insurance Director

Edward McMonigle has been appointed Idaho director of insurance. He was formerly a local agent in Boise and at one time was vice-president of the Idaho Association of Insurance Agents. He then entered military service from which he was discharged about a year ago. Since then he has been special agent of General of Seattle.

Statisticians Plan 1946 Parley

The annual conference of the Insurance Accounting & Statistical Association is being planned for 1946, assuming that travel restrictions will be lifted. Tentatively the officers have set Dallas as the place and May 22-24, 1946, as the date.

Views Expressed on Tax Status of Local Boards

WASHINGTON—Business associations and similar organizations are not exempt from taxation under the income tax law if their purpose "is to engage in a regular business of a kind ordinarily carried on for profit even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining," according to the internal revenue bureau.

A spokesman for the bureau, while reporting no specific answers to questions submitted by THE NATIONAL UNDERWRITER as to when an insurance agents' association may or may not be tax-exempt, called attention to a treasury decision and internal revenue regulations dealing with exemptions from the tax on corporations, and how to obtain such exemption.

The spokesman pointed to the following provision of the regulations:

Provisions Are Recited

"Business leagues, chambers of commerce, real estate boards, and boards of trade.—A business league is an association of persons having some common business interest, the purpose of which is to promote such common interest and not to engage in a regular business of a kind ordinarily carried on for profit. It is an organization of the same general class as a chamber of commerce or board of trade. Thus its activities should be directed to the improvement of business conditions of one or more lines of business as distinguished from the performance of particular services for individual persons. An organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit even though the business is conducted on a cooperative basis or produces only sufficient income to be self-sustaining, is not a business league. An association engaged in furnishing information to prospective investors, to enable them to make sound investments, is not a business league, since its activities do not further any common business interest, even though all of its income is devoted to the purpose stated."

VIEW OF W. H. BENNETT

NEW YORK—The foregoing provision cited by the internal revenue bureau does not mean that a local board loses its tax-exempt status, provided it is not organized to engage in a regular business of the kind ordinarily carried on for profit and provided it does not distribute its earnings to its members, according to Walter H. Bennett, general counsel of the National Association of Insurance Agents, whose opinion was sought by THE NATIONAL UNDERWRITER on this point.

Mr. Bennett said that the mere fact that a local board does enough business to be self-sustaining would not void its tax exemption, even though it remitted all or a part of each member's dues. While in the passage cited there is a reference to the type of organization that "produces only sufficient income to be self-sustaining" as not qualifying for exempt status, he points out that this sentence deals with "an organization whose purpose is to engage in a regular business of a kind ordinarily carried on for profit..." and that this description does not apply to local boards, as their purpose is not the making of profits, this being merely incidental.

There are two requirements for tax exemption for associations of the local board type, according to Mr. Bennett: First, they must not be organized for profit and, second, any profit that is made must not be distributed to the members, although there is no objection to refunding dues paid or abrogating dues for the ensuing year.

Name Dievendorf St. Louis Manager of Northern, London

R. Y. Dievendorf has been appointed manager of the St. Louis service office of Northern Assurance succeeding J. T. Woodroffe who has been transferred to Chicago.

Mr. Dievendorf has been Illinois state agent of Northern for the past 10 years, going to Illinois direct from the head office where he had been an examiner in the western department for several years.

Mr. Dievendorf comes from an insurance family, as his father and brother operate the Earl Dievendorf & Son agency at Canajoharie, N. Y., which agency will celebrate its 100th anniversary in 1946. He is a graduate of the fire insurance scholarship course of Columbia University; a past member of the executive committee of the Illinois Fire Prevention Association and has served as a member of the evaluation committee of the SWIS program in Illinois.

Continues Some Service

Pending announcement of his successor in Illinois Mr. Dievendorf will continue to service many Illinois agents.

Mr. Dievendorf has been residing at Pontiac, Ill., where Mrs. Dievendorf is operating the Le Messurier agency, which is owned by her father, Harry E. Vogelsinger, until her brother returns from military service.

SEC Reports Transactions

In the official summary of security transactions and holdings reported to the Securities & Exchange Commission for the period June 11-July 10 it is reported that John A. Campbell sold 1,100 shares of Corroon & Reynolds Corp. and had 4,500 shares remaining; Richard A. Corroon sold 250 shares and has left 338,989; LeRoy Gaddis sold 10 shares of Firemen's of Washington and has 30 shares left; Hugh D. Combs sold 100 shares of U.S.F. & G. and has five shares remaining.

Keeps 47-Year "No Loss" Record

The Merlin S. Wilson & Co. agency at Ft. Wayne, Ind. has just undergone an unusual experience. Recently a small fire broke out in the men's lunchroom on the mezzanine floor of the Ft. Wayne Drug Co., one of the agency's clients. The fire started in the wastebasket directly under a sprinkler head, which opened. Everyone fell to and the fire department covered merchandise on the first and mezzanine floors with tarpaulins so that damage on the mezzanine was held to practically nothing. Some damage was done to decorations in the lunchroom.

The Ft. Wayne Drug Co. has been in business for 47 years and has been a client of the Wilson & Co. agency all of that time. This was its first experience with even a possible loss. The drug store advised the agency that it did not want to break the charm, and would make no claim for either merchandise or building. The agency felt it should have contributed to redecorating the room, but assured stated the walls already were dirty and should have been redecorated sometime ago. Consequently, according to the drug store, it would not be fair to the insurance company even to accept a contribution for such repairs.

The agency wrote the companies involved on the risk, believing that "the unusually fair-minded attitude of the assured should be conveyed to you as evidence that not everybody is trying to sting the insurance companies."

Two Coast States Arrange for the Annual Meetings

Programs Announced for the Washington and Oregon Bodies

The program for the annual meeting of the Washington Association of Insurance Agents to be held at the Olympic Hotel, Seattle, Aug. 20-21 is announced. On Monday, Aug. 20, there will be a cocktail hour for the executive committee, local board presidents with the compliments of the American Automobile. This will be followed by dinner and session of the executive committee and local board presidents, W. M. Harmer, chairman, presiding. The program for the convention is as follows:

Tuesday Morning, Aug. 21

Closed business session for association members only.
Call to order, V. R. Lee, Chehalis, president.
Address of welcome, E. L. Smythe, president, King County Insurance Association.
Report of secretary-treasurer, Willard H. Scott, Seattle.
Reports of committees: Legislative, E. R. Bowden, Seattle, membership, H. E. Carr, Bellingham, and Gerwyn A. Jones, Walla Walla; finance accounts, A. W. White, Seattle; fire contact, Charles F. Carroll, Spokane; by-laws revision, A. J. Peters, Issaquah.
Discussion and comments on committee reports.
Report of state national director, A. W. White, Seattle.
Open forum, on revision of insurance code, H. P. Sargent, Seattle, discussion leader.
Past presidents' luncheon.

Tuesday Afternoon, Aug. 21

Open session.
Report of administration, President V. R. Lee.
"The New Washington Insurance Code," Robert D. Williams, deputy insurance commissioner.
Panel discussion—"The Bank and Agent Auto Plan," Henry E. Schaefer, vice-president, Seattle Trust & Savings Bank, and chairman consumers' credit committee, Washington Bankers Association; E. L. Blaine, vice-president, Peoples National Bank of Washington, and A. W. White, chairman finance accounts committee, W.A.I.A.
Panel discussion—"Private Protection vs. Social Legislation." Presented under direction of the Seattle Accident & Health Managers Club; Fred C. Becker, Great-West Life, chairman; Dwight Mead, general agent, accident department, Pacific Mutual Life; Howard Ries, Equitable Society, Everett, and Ralph W. Neill, manager Washington Medical Service Bureau.
Report of resolutions, credentials, and nominations committees.
Election of officers.
Cocktail party, courtesy United Pacific.
Annual banquet.

OREGON MEETING

The program for the annual meeting of the Oregon Association of Insurance Agents to be held Aug. 23-24 at the Multnomah Hotel, Portland, is announced.

An executive session will be held the first afternoon followed by an executive committee dinner. The formal program for the second day follows

Friday Morning, Aug. 24

Call to order by President V. J. Robinson. Introductions: Commissioner Thompson; C. F. Wagner, manager Oregon Insurance Rating Bureau; L. M. Koon, manager Oregon Casualty Association; Keith Rhodes, president Special Agents Association; Mark Farria, president Surety Association of Portland; James Thornberg, president Oregon Adjusters Association, and James Laird, president Surplus Line Association.
"Can We Survive," Hawthorne K. Dent, president General America companies.
"Compensation and How to Get It," Vernon Williams.

Higher Valuations on Shipments Don't Assure Special Express Handling

During the past three or four years losses to merchandise shipped by express have increased with alarming proportions. There is a general feeling the disappearance claims are caused by lack of help and new employees, and the present day crowded conditions of warehouses and terminals add to the confusion.

In looking around for a system of value declarations to the express companies that would secure hand to hand receipts for packages, which naturally should lessen the mysterious disappearance and theft claims, many people in the industry have formed an erroneous impression that merely increasing the declared value by \$100 guarantees special handling on the part of the express companies. This, however, is not a fact. The express companies have for many years handled packages that have a declared \$50 per pound value by hand to hand receipts, which gives the same service as the money and securities departments of the express company where hand to hand receipts are a rule.

Manufactured Furs

In cooperation with the insurance companies, the express companies have instructed their various offices in connection with manufactured furs of a declared value of \$150 or more per package to give the same hand to hand receipt treatment, but require that the package be clearly marked on the outside "manufactured furs". On other packages, with the exception of those already mentioned, no special hand to hand receipt treatment is given by the express company.

The express company rules are to provide \$50 of insurance protection on all packages without any additional charge. On all packages having a declared value of over \$50 there is a carrying charge made by the express company which is known as their excess declaration value charge of 10 cents per \$100 or fraction thereof. As an illustration, a \$55 declared package would cost an extra 10 cents for shipment. A \$150 declared value would cost but 10 cents extra whereas \$155 would cost 20 cents, the first \$50 being free with the original charge for transportation.

Bill of Lading Cover

The express company's liability under their bill of lading is free of all loss caused by acts of God, such as lightning, tornado, windstorm, cyclone, earthquake, flood, rockslide, snowslide, landslide and riots and civil commotion. Therefore, shippers realizing this and in view of the excess value charge of 10 cents per \$100 or fraction thereof protect themselves by an express policy purchased from an insurance company, which in addition to the other perils to which the package may be exposed,

includes protection against acts of God, riot and civil commotion at a rate less than the excess declared value charge made by the express company, which makes the express contract such a popular one today.

The net result to the insurer of requiring the insured shipper to declare a valuation of \$100 above the \$50 which the express company permits without charge, would be to facilitate subrogation against the express company, in case of loss. Agents and some company officials who have looked into the matter do not believe that they are justified in adding a 10c per \$100 valuation charge to shipper's cost of doing business, simply to put the insurance company in a position to secure more from the express company under subrogation.

Ask Higher Fur Valuations

Some insurance companies have been asking for a declaration of 10% of the total value on furs or not less than \$150, and this has increased the level of the valuation their insured shippers must declare and consequently their cost of shipping. Yet under present express agency practice, there would be no real benefit to the insurer to declare more than \$150 except in connection with subrogation. Since it is unnecessary to declare more than the \$150 valuation on furs to get hand to hand receipts, some agents wonder why the customer should be asked to pay the express company for larger valuations.

The requirement of an additional \$100 value declaration is extremely difficult for shippers to meet in all cases. The shipper can control outgoing shipments, fairly well, but he cannot do much on incoming items. The shipper will get an order on which the \$50 limit declaration is specified by his customer, or he will order goods sent, and though he may ask that a \$150 declaration be made, he cannot follow through to see that it is done. Consequently, his transit policy, which contains a warranty that there will be a \$150 minimum declaration of value, is supposed to cover his incoming shipments where the value has been declared without his knowledge at \$50. The insurance company under such circumstances can deny liability. On high value items the additional 10 cents per \$100 charge is not of any great consequence, but in dealing with firms that watch costs because of generally low sales prices, the 10 cents will make a big difference.

The declaration of value warranty would affect shipments by truck, a combination of truck and express, as well as express.

In normal times the situation would not be troublesome. At present, however, transit losses have risen sharply. Much truck and railroad equipment is run down. Shipments are delayed because of the tremendous volume of goods moving or because of a shortage of manpower, or are lost or stolen. The companies have been getting rather frequently claims for water damage to merchandise in transit. Although the insurers may not be able to prove it, this arises generally from freight car roofs or those on truck trailers being in such poor condition that they leak during rainstorms.

The transportation facilities of the country are expected to be under heavy pressure for several years because of the war with Japan and the subsequent heavy demand for goods. Consequently the situation with respect to transit cover will continue for some time.

Insurance Minister in Britain

WASHINGTON—Britain now has an "insurance minister" in the cabinet. James Griffiths becomes minister of national insurance in the new Attlee labor cabinet.

Insurance Director of Illinois Sees Vast Change Ahead

N. P. Parkinson Declares That Insurance Should Meet Fairly New Order

At the luncheon of the insurance group of the Union League Club of Chicago Tuesday



N. P. Parkinson

the guest of honor and speaker was State Insurance Director N. P. Parkinson of Illinois. Two veteran members of the group were present—Fred W. Moore who retired some years ago as head of Moore, Case, Lyman & Hubbard attended and was especially introduced. He spends much of his time in Florida. He was guided to the meeting by John K. Walker of the Moore, Case firm in Chicago and the John K. Walker Insurance Agency of Hot Springs, Ark.

Another old timer was Chairman Isaac Miller Hamilton of Federal Life of Chicago, its founder and long time president.

Mr. Parkinson referred to the fact that this is an age of great development and change. There will be new features in many directions. He said that insurance will have to adapt itself to new conditions because it must meet the needs of the public however changing they may be. It will be the function of the department to see that insurance is properly applied to these new conditions. He predicted that there will be new types of coverage. Many of the present forms will be enlarged and broadened.

Mr. Parkinson gave it as his opinion that people will be much better satisfied to have their insurance regulated by the state instead of the federal government because insurance is pretty much of a home proposition and people who carry insurance desire to deal with officials with whom they are acquainted or know something about rather than have to go to Washington. He said that state supervision is giving a very good account of itself. The state commissioner, he said, likes to sit down and talk over the subject with insurance men pro and con and reach a fair and sincere conclusion. The Illinois department, he said, endeavors to learn as much as possible about the problems confronting the various insurance groups. The insurance department officials, he said, are supposed to be experts in the various lines which they supervise. They are held to be legislative experts and also legislative arbiters because they have to decide many differences between companies, agents and policyholders and between different classes of agents. When legislation is passed he said it is the duty of the department to adjust it to insurance procedure.

The department, he said, has been able through its influence to defeat some undesirable legislation. He said it is necessary for the department officials to go on record in opposition to certain measures but they must do so without leaving undue offense. One bill that he spoke of was introduced by a representative requiring life insurance to make loans of any size and charge only 3% interest. Another bill was an assigned risk plan for fire insurance. Under that a person who failed to get insurance could appeal to the state and he could

(CONTINUED ON LAST PAGE)

Auto Experience Now at More Comfortable Level

As a result of the 25% rate increase in the automobile collision line that was put into effect earlier in the year and the decline of losses to a somewhat seasonable level, the automobile underwriting picture looks far brighter at this season than it did earlier in the year. The rate increase caused virtually no motorists to decide to drop collision cover and the business has been renewing so as to produce a 25% improved revenue. In the last months of 1944 and early in 1945 the

collision loss ratio was running 100% or worse for many companies but the decline in losses that came with open weather and the rate increase have neutralized to a large extent the bad start of the year and most of the companies it appears are now around the 50% loss ratio mark for the year in automobile comprehensive and collision.

Capt. Hanson Resumes Post as Ill. License Supervisor

Capt. H. Walter Hanson, Jr., of the army air corps has been retired from

active duty at Scott Field, Ill., parent radio school of the AAF training command, and has returned to his home at Springfield, Ill., and resumed his old insurance department post as license supervisor.

He formerly was an attorney there, and also was supervisor of the agents and brokers license division of the insurance department from which position he received a leave of absence Aug. 2, 1942, from Governor Green when he began military duty. Capt. Hanson is the son of a former Illinois insurance director.

New Chicago College Plans to Conduct Insurance Courses

It becomes known this week that Marshall Field, owner and publisher of the Chicago "Sun," Edwin R. Embree, president of the Julius Rosenwald Fund, and a number of prominent University of Chicago men are backing the new Roosevelt College of Chicago. The setup of this fast growing downtown college will be of interest to Chicago insurance men for it is the intention to conduct regular courses in insurance subjects, it was announced this week by Wayne A. R. Leys, acting secretary-treasurer. He is dean of the school of arts and sciences. Edward J. Sparling is president.

The officers and faculty very largely are those who made up the Y.M.C.A. downtown college in Chicago, which heretofore has conducted the insurance courses in the "loop" under direction of James C. O'Connor, associate editor of THE NATIONAL UNDERWRITER and editor "Fire, Casualty & Surety Bulletins." Mr. Sparling was president of the Y.M.C.A. College, Mr. Leys, dean of the school of arts and sciences, and most of the other faculty members of Roosevelt College held similar positions with the Y. College. Lowell Huelster is dean of the school of commerce, having been dean of the school of business administration in the other college.

Dean Huelster announced this week there will be a course in general insurance starting this fall to be conducted Mondays, Wednesdays and Fridays from 12 to 12:50 p.m. This is a three college credit course, fee being \$27.50 with additional \$2 registration fee. A night course on property insurance will start this fall. This class will meet Wednesday evenings from 6 to 7:40 and will be a two semester hours course, with \$20 fee per semester and \$2 registration. In the spring it is anticipated a course in life insurance to be held in the evenings will be started.

Classes to Start Sept. 24

The administrative office, in charge of Secretary Leys, is temporarily in room 310, but after Sept. 1 will be moved to the sixth floor, which will be occupied completely by the administrative staff. The college will open Sept. 24 and registration will start Sept. 4.

The insurance offices in the west section of the 166 West Jackson boulevard building, Chicago, known as 231 South Wells street, that are being forced to vacate Aug. 15 due to purchase of the building by the new Roosevelt College of Chicago are having great difficulty in finding other accommodations in such short notice. These offices are:

Amsonn Insurance System, George Rogers Clark Casualty, Edward Edelson, general agent; Commercial Life of Springfield, Ill.; Federal Life & Casualty, Industrial Insurance Agents Union, Interment Insurance Company, Monroe Insurance Agency, National Life of Iowa, Julius Doane, general agent, moving to Room 810, 175 West Jackson boulevard; Ohio State Life, P. J. Kieffer, general agent, who is moving to 711 Austin building; Pioneer Life of Rockford, Ill., Edward Edelson, manager, going to Room 910, 330 South Wells street; Postal Insurance Service, Sunset Agency Company, operated by Mr. Edelson, also moving to 330 South Wells.

Insurance Factor in Surplus Goods

WASHINGTON—In determining the fair value selling price on war surplus property and residue being disposed of overseas, the army and navy have announced that element in the pricing formula includes current procurement cost, plus 25% mark-up for insurance, transportation and handling; less depreciation.

Earl Greenawalt, East Liverpool, O., broker, won a five-man fight for the Republican nomination for mayor in the July 31, primary election.



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CASUALTY INSURANCE Pledges Aid to DISABLED WAR VETERANS

Many disabled veterans have wondered if they will be penalized for the scars they carry when they try to get jobs in industry after they have been released from service.

In most States of this Nation, workers are covered by Workmen's Compensation Insurance. The law requires employers to pay for this. It could hurt the disabled veteran's chances when he tried to get a job, if word got around that employers would have to pay a higher premium for compensation insurance when they hired handicapped workers . . . because those men might be more likely to become injured on the job. *That isn't going to happen.*

A group of leading American capital stock casualty insurance companies—including the Indemnity Insurance Company of North America—more than a year ago went on record that . . . 1. Handicapped workers will not be

shut out from employment by any compensation insurance regulations. 2. Compensation rates will not be higher because handicapped workers are employed.

* * *

The casualty insurance business is setting an example of leadership for others. It is employing and re-employing as many discharged servicemen as possible—and will continue to do so.

Ours is a growing business; there will be more jobs available in it after the war than ever before. It offers many different kinds of careers, both in the offices of local Agents and in its Head Offices and Field Offices. Such jobs as solicitors, traveling fieldmen, statisticians, clerks, claims investigators, safety engineers and many others will be available. It's a sound business with a firm future—well worth keeping in mind.

This Advertisement appears in National Magazines in line with this public-spirited crusade to play square with so many who have given so much that our Nation might survive!



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"Reader's Digest" Tells of Fleming's Career

The "Reader's Digest" in its August issue features a story of the career of T. Alfred Fleming, director of conservation of the National Board, under the title "Evangelist of Fire Protection." The article, written for "Red Book" by Paul W. Kearney, tells how Mr. Fleming, a minister, entered the field of fire protection after witnessing the death of a number of school children in Collinwood, O., in 1908. The tragedy was caused by a locked back door against which children and teacher piled when fire broke out in the school house.

Mr. Fleming, the article points out, pursues his vocation with the intensity of a personal conviction. Wherever he finds a situation likely to result in death and injury in case of an emergency created by fire he goes into action to get the condition corrected. The article described his work as an "incalculable human service." It stresses Mr. Fleming's belief that modern fire fighting must begin on the architect's drawing board and not at the hydrant. His attitude is expressed by the question, "How can you justify the erection of a costly building so full of inherent flaws that a nitwit

with one match can burn it to the ground?"

Department of Justice Watches Premium Tax Cases

WASHINGTON—There is considerable interest manifested in the east in the efforts of Prudential and some other companies to have certain state tax laws ruled unconstitutional.

Frank Elmore, formerly insurance counsel in the Department of Justice anti-trust division, who had much to do with working up the Southeastern Underwriters Association case and is still interested in insurance litigation, has left for Lansing, Mich., to attend a hearing on the case in which Prudential has attacked the Michigan tax.

Legal students and observers of developments in connection with the complicated problems involved in federal and state regulation of insurance have been able to discern no disposition in the Department of Justice to "start anything" further during the period of the moratorium from the anti-trust laws voted by Congress last winter, unless flagrant instances of boycotting, coercion or intimidation, or agreements to engage in such practices, come to the department's attention.

Reduce Number of Policies With Eye on Surplus, New Court Charges Assert

DES MOINES, IA.—More specific charges have been filed against American Farmers Mutual Automobile and its secretary, Guy L. Roberts, by Milford Beeghly, director, in connection with his injunction suit to enjoin the company from ousting him as an officer and policyholder.

Mr. Beeghly expanded his charges following a ruling by district Judge Norman Hays that the director should make a more specific statement in connection with his allegations of fraud.

The new statement alleges that Mr. Roberts "with the connivance of other directors and officers" eliminated 4,304 policies between Jan. 1, 1940 and Sept. 20, 1944. Company records show terminations of policies without cause "had actually been executed on a vast scale for several years, unknown to any of the policyholders except those affected," he claimed.

In his earlier petitions, Mr. Beeghly had contended that Mr. Roberts and some of the association directors had planned to reduce the number of policyholders and then divide the surplus of funds by issuance of a dividend to the remaining members.

Mr. Beeghly's latest statement claimed that although Mr. Roberts by affidavit reported termination of only five policies in 1944, there actually were 138 cancelled and 578 renewals refused. He also charged that Mr. Roberts and other officers eliminated 1,098 policies in 1943 and 1,349 in 1942.

He charged, too, that "Roberts had almost completely shut down production of new business" reporting that one agent wrote only 17 new policies in 1944 and seven in 1943.

Mr. Beeghly asked that the court decide the legal construction of the policy contract relative to termination at will before the trial of the main case starts.

A motion was also filed by Mr. Beeghly and Max Putnam, formerly general counsel, asking that the full list of policyholders be exhibited to the court. Mr. Putnam has joined Mr. Beeghly as an intervenor in the suit.

Henry C. Lovell Expands

The office of Henry C. Lovell, independent adjuster at Cleveland, who has specialized in automobile and inland marine work during the past 18 months, are being expanded with a view toward the employment of a staff of competent adjusters. Having met with success in specializing in his particular field, Mr. Lovell now finds it necessary to add personnel in order to handle the increased volume of work.

With the recent addition of Harry R. Dole, who formerly worked at Cleveland as staff adjuster for Fire Association, the office is now equipped to handle aviation claims. Mr. Dole has spent the past 3½ years as service representative for Allison Engines, accompanying air squadrons as far away as the Gilbert and Marshall Islands, to supervise the maintenance of planes.

Cobb Consultant of Crop Agency

WASHINGTON—James O. Cobb, head of the James O. Cobb & Co. general agency, Durham, N. C., has been engaged by the Federal Crop Insurance Corporation on a consultant basis, J. Carl Wright, FCIC president, has announced.

Mr. Wright stated that conferences have been concluded with producers of peanuts, potatoes and citrus fruits on proposals to include coverage of those crops in the experimental program of FCIC next year. Program plans for such coverage have been submitted to growers in various areas, to get their reactions, Mr. Wright said. He does not expect definite decision or action on such programs for a month or two, or until after these reactions have been received and considered at FCIC.

National Adjusters Group to Open Chicago Office

The National Association Independent Insurance Adjusters Sept. 4 will open an executive office in Room 740 Utilities building, 327 South La Salle street, Chicago. Selection of the office and of an assistant secretary to conduct it on a whole time basis is being made by N. J. Tierney of Wagner & Glidden, Chicago, association past president. The assistant secretary will be able to have his constant counsel on important matters as the two offices are within a short block of each other.

Decision to open the office was a result of the death recently of Lynn A. Horton of Oklahoma City, past president who for a number of years has been the secretary-treasurer. The action also came about due to the necessity of conducting a mail vote on the officers because the annual convention cannot be held due to ODT restrictions.

Wind Chargers, Windmills Are Accepted Reluctantly

Occasionally a question arises as to insurance on wind chargers, which are used by farmers and others in rural areas to keep up electric storage batteries. The wind chargers operate a generator. There are fewer of them than there used to be. They have not proved very satisfactory for the purposes for which they were designed.

The companies insure them reluctantly and generally only for a favor to agents. The hazard of wind damage is great, even though the value involved is small. The premium is high. More and more farmers are getting their electricity through rural electrification authority lines, and as time goes on the chargers are expected largely to disappear.

Windmills fall into much the same category as wind chargers so far as underwriting is concerned. The companies do not like to write them. The amount of value involved is small but the premium is high. Both machines are constantly subject to damage by even light gusts.

Postpone U. S. Chamber Parley

WASHINGTON—Travel difficulties and the vacation season have combined to cause postponement of the first meeting of the new U. S. Chamber of Commerce insurance department committee, which was tentatively scheduled for Sept. 13, at the Waldorf-Astoria Hotel, New York.

The meeting is not now expected to be held before October, on a date to be set by Chester O. Fischer, Massachusetts Mutual Life, new committee chairman.

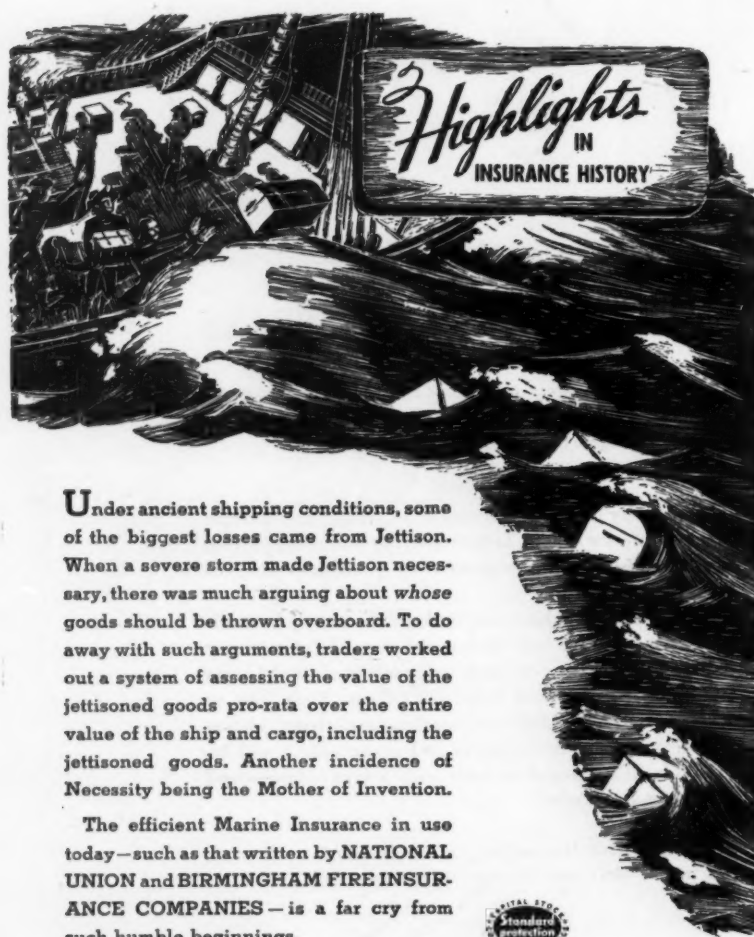
Appointment of new insurance subcommittees on accident and health, aviation and marine will not be announced for perhaps two or three weeks.

Indiana Ruling on Agency

An incorporated general insurance agency which employs a licensed agent on salary to sell life insurance becomes a life insurance agent itself, according to an opinion of Attorney General Emmert of Indiana. The opinion was asked by Commissioner Pearson. Indiana law prohibits a corporation from becoming a life insurance agent, according to the opinion. Any corporation which attempts to solicit, negotiate and make insurance contracts through its agents is itself acting as an agent. The fact that the agent is duly licensed does not in any manner remove the statutory prohibition as to the corporation.

N. E. Advisory Board to Meet

The advisory board of the New England Associations of Insurance Agents will hold a meeting at Poland Spring House, Poland Spring, Me., Sept. 17-18. Chairman Henry M. Davis, Providence, said that invitations are being extended only to board members in view of restrictions on travel.



Under ancient shipping conditions, some of the biggest losses came from Jettison. When a severe storm made Jettison necessary, there was much arguing about whose goods should be thrown overboard. To do away with such arguments, traders worked out a system of assessing the value of the jettisoned goods pro-rata over the entire value of the ship and cargo, including the jettisoned goods. Another incidence of Necessity being the Mother of Invention.

The efficient Marine Insurance in use today—such as that written by NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES—is a far cry from such humble beginnings.



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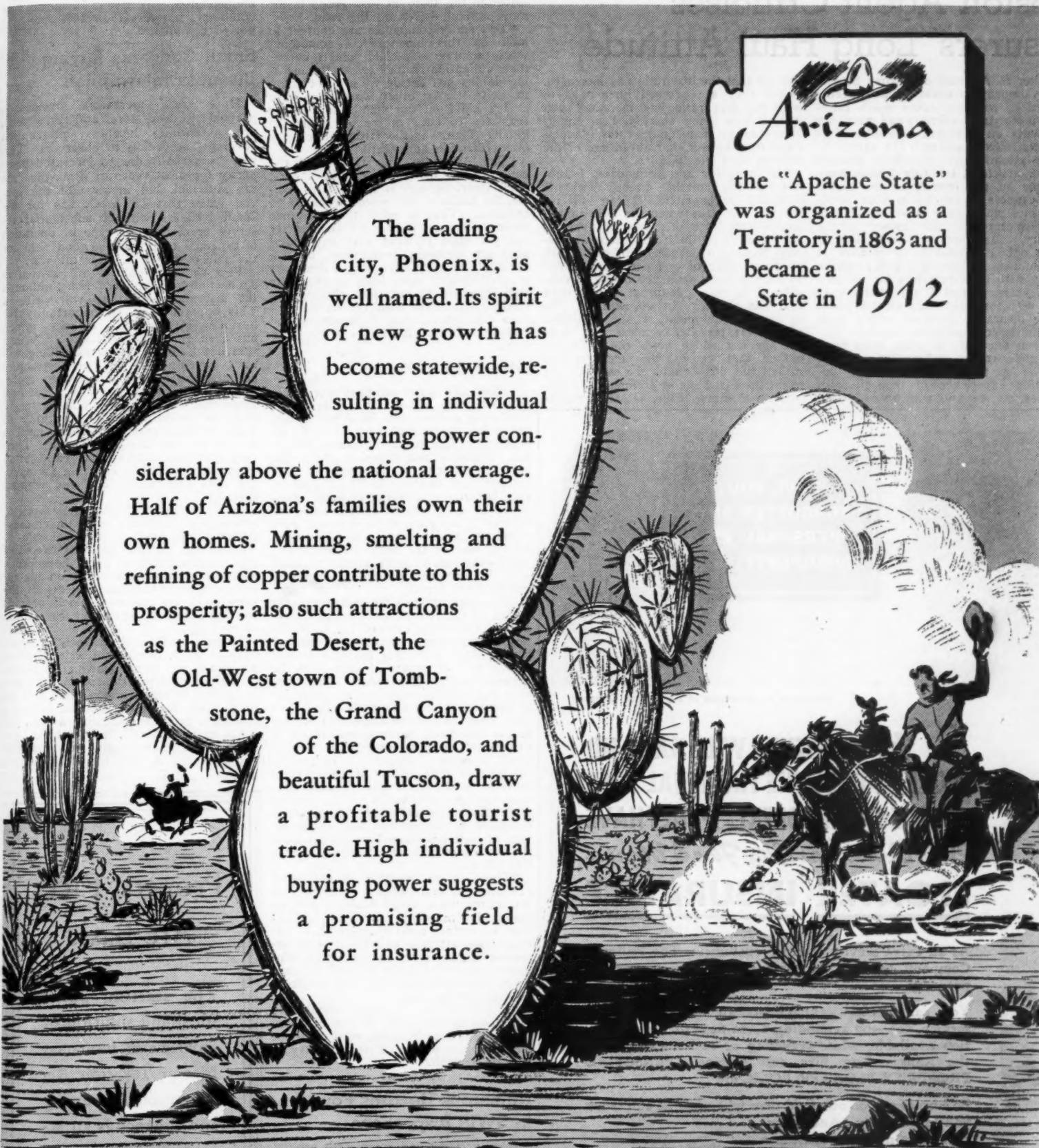
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became a
State in 1912

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buying power con-
siderably above the national average.
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own homes. Mining, smelting and
refining of copper contribute to this
prosperity; also such attractions
as the Painted Desert, the
Old-West town of Tomb-

stone, the Grand Canyon
of the Colorado, and
beautiful Tucson, draw
a profitable tourist
trade. High individual
buying power suggests
a promising field
for insurance.



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Boston Agent Criticises Insurers' Long Haul Attitude

Walter S. Attridge of Walter S. Attridge Company, insurance general agents at Boston, who has taken much interest in motor truck carriers and insurance comments on a recent article in THE NATIONAL UNDERWRITER. He says:

"My attention has just been directed to your article in the July 5 issue commenting on the protest of the motor truck carriers to articles in your previous issues which gave an erroneous and unfair picture of the motor carrier industry. As one who will shortly round out a quarter of a century in the insurance business and who has been dealing with motor carriers for the past dozen years, I feel I am qualified to speak with some authority on that phase of the insurance business which deals with the inter-state motor carriers.

"When one tries to learn from company underwriters and executives their opinions as to the cause of the unprofitable experience in this class of business, we are told with an authorita-

tive air that the loss ratio has increased. When they are pressed further as to why the loss ratio has increased you will, if you listen sharply, hear mumbblings as to 'inadequate rates,' 'equipment wearing out,' 'advanced age of the drivers,' and the like.

"If the rates are inadequate, I submit that the fault lies directly with the company underwriters. I can still remember the days when the 'other companies' rates' for this class of business were always too high and there was always room to cut the rate one-eighth or one-quarter of one percent in order to put the business on the books. Probably it is this cut-throat competition that has now caught up with us. As to ageing equipment, I am reminded of the oft repeated remark that it is not the nut which holds the truck together that causes the accident but rather the nut behind the wheel. As to the increased age of drivers, this argument is also erroneous, as safety statis-

tics have developed the fact that the driver in the 40 to 49 year group is the most careful driver on the road.

"Too many companies are content to look on this business as something worse than a step-child, and ignoring their obligation as insurers to the insuring public, just decide we are not going to write it. In other words, we have a sick child on our hands and rather than try to cure it, we are going to kill it. That was the Hitler philosophy of sterilization and death.

"The American way is to find the cause of the ills and prescribe a cure. The American way is the way to handle the faults of the motor truck cargo business. That is what the insurance business has not done. No underwriter has yet come forward with any sound plan for improving conditions, but on the contrary they have turned deaf ears to plans which have been proposed by well informed brokers who through intimate association with the motor carriers have developed a comprehensive understanding of the motor truck business.

What About Producers?

"There are some company executives who sincerely feel that the man in the producing end of this business is not, never has been, and never will be of economic value to the insurance industry. Probably this group of executives is in the minority, but nevertheless there are sufficient of them to give the insurance industry a reputation of being disinclined to meet current conditions in industry. They seem to be obsessed with a jealous passion that no idea advanced by the man in the field can be of any value—that only good ideas originate with the arm-chair generals of Hartford and William Street.

"The suggestion of the executive committee of the American Trucking Association that they explore the possibilities of organizing their own insurance carriers to handle this business cannot in the face of events of past years be regarded as an idle threat. We have seen the establishment and development of many of the class mutuals where they have risen to become important factors in the insurance business and result in threats of serious competition to the stock insurance companies. It can be safely said that many of these class mutuals would never have been organized had the executives of the capital stock insurance companies been more receptive to suggestions and sound advice of well intentioned peoples outside the domain of insurance company executive offices.

"There is no question in my mind but what the underwriting experience of the motor truck cargo business can be materially improved. But the companies' executives must abandon their unresponsive attitude and listen with attention to the man on the street who knows where the faults lie, and in many cases can advise the type of medicine needed for the cure.

"I believe this message should be published as the voice of one of those in the insurance business who does not feel that the motor carrier industry is entirely at fault."

Numerous Hazards Found in SWIS Inspections

Good accident and fire records are the result of organized effort on the part of employees, John H. Craig, Illinois fire marshal, told the Greater Chicago Safety Conference. Inspectors of the States War Inspection Service have found such hazards as naphtha and solvents in open containers in work rooms where employees smoke and where electrical equipment is not suited to flammable atmosphere. There were many cases where there were no emergency fire extinguishers to cope properly with incipient fires. In some sprinklered plants, sprinklers had not been extended to cover newer buildings. In some cases vital openings were not protected by fire doors and in others the doors were in bad working

order. Although compliance with recommendations of SWIS inspectors is voluntary, not less than 40% have reported compliance.

Small Concerns Buying Business Interruption

More small mercantile businesses, particularly drug stores and restaurants, are purchasing business interruption coverage, according to observers. This may be partially due to increased prosperity for most types of firms plus the tax situation, but in view of the special value that U. & O. has for the small business without substantial reserves or credit, this type of operation is expected to provide a good field for the sale of U. & O. after the war.

Few U. & O. policies are written in connection with builders' risks, although the insurance companies will write it. This apparently is an opportunity for business interruption coverage which has been generally overlooked. A firm that has U. & O. and is expanding will have coverage on the new structure and the profit it is expected to represent to the owner or operator. But new firms that are starting a manufacturing plant or store often do not think of business interruption coverage until a few weeks from the opening date. Then they suddenly realize that expectation of profits depends on reaching the opening date and doing business without casualty.

While it requires some guess work to arrive at an insurable value under these circumstances, it is not impossible to do, and the capable business executive will know about what profit he expects, what he anticipates to earn on his investment, or what like projects in the same field are earning, which provide starting points in estimating the amount of coverage.

There is still some inclination to get off a U. & O. line or not write it when no profits are being shown. However, in periods of depression or in the coming period of reconversion there may be times when the concern is not only not making a profit but showing a loss, yet it has an insurable U. & O. value to the extent that its expenses will continue and it wants to hold its personnel together.

Property Facts Are Basic

The starting point for sound solution of problems of Insurance, Income Taxation, Reconversion, Accounting and Finance is an accurate knowledge and record of Property Facts.

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As an extra service to their customers, The Pullman Company reminds travelers not to forget personal property.

You can render your clients an important extra service, too—by reminding them now of the protection available, while traveling or at home, through the *Kansas City Fire and Marine's* PERSONAL PROPERTY FLOATER POLICY.

Be sure to call on our field man whenever he can serve you in any way. And whenever your need for assistance is immediate, wire or phone the home office.



KANSAS CITY *Fire and Marine*
INSURANCE COMPANY

CHICAGO OFFICE:
INSURANCE EXCHANGE

KANSAS CITY

Insurable Values Biggest Subject for Local Agents

Much Appraisal Work Is Being Done to Get at Costs

Authorities generally agree that the main responsibility on local agents at this particular time is to see that their assured are adequately covered. In most instances the insurance has been renewed from year to year and there has been no checkup on valuations probably for years. Yet during the last two or three years values have skyrocketed. In many losses today it is found that policyholders are underinsured.

One of the largest premium payers in the country remarked the other day that justification of the continuation of the present agency system in fire insurance would probably be decided at this particular time when there is a checkup as to how agents have handled this question of adequate insurance. If the country at large is underinsured, this authority states the faults will rest almost entirely with the agents. At least every assured should be acquainted with the situation, in his opinion, and the agent should see to it that policyholders are aware of the fact that values have increased in all directions. If the assured does not respond favorably to the recommendation of the agent to carry further insurance, then the agent should write the assured, stating his recommendations, and keep a carbon for his own defense in case a loss occurs and he is blamed.

So far as building values are concerned, many companies now furnish appraisal service to their engineering departments. A few years ago, when one of the large companies introduced the appraisal service plan, it was regarded as almost iniquitous and yet today practically all the progressive companies have adopted this service, realizing that it is something that is needed, that it is worthwhile, that the agents should have facilities for getting an appraisal, and the policyholder is entitled to the recommendations of an agent or a company as to his values.

In some cases local agents are doing much appraisal work themselves. This is particularly true where they have had some engineering training. If they cannot do it themselves and do not have company facilities, then they suggest that an independent appraisal company be employed to do the work. This is deductible from business expense when it comes to the income tax. There are books on valuations that can be used to advantage. The Marshall & Stevens valuation services are used in many cases. The Rough Notes Company, Indianapolis, has a first class book on the same subject, giving present day costs of replacement. At first there was some opposition to the appraisal plan on the ground that an assured would consider that he had a valued policy. He would take the ground that the appraisal showed the value that the insurance company put on his building. This, however, has been generally dispelled. This is regarded purely as tentative appraisal to give the assured an idea of the value of his property. In some cases independent adjusters are doing appraisal work on the side. So far as residence property is concerned, usually a good real estate man knows values in the particular neighborhood or the agent himself may be informed.

When it comes to machinery, an as-

sured undoubtedly has been a customer of a machinery company and can readily get prices. It is not difficult now because there are ceiling prices on machinery, which can be readily secured. In many cases the owner of machinery is as good a judge of values as anyone. There is little difficulty found in getting the value of merchandise contents. Merchandise prices are current and can easily be secured.

The general impression prevails that during the next few years there will be much building, new equipment will be installed and changes made that will

enter into the cost situation. Therefore, the agents, in the opinion of authorities, should work out a plan that they can follow in giving appraisal service. That will stamp an office as to its value to a customer these days.

One of the appraisal authorities recommends to local agents "Chicago Building Costs," furnished by the Chicago Real Estate Board, costing \$10. Another book is "Boeck's Manual of Appraisals," published by the Rough Notes Company, 1142 North Meridian street, Indianapolis. Another book recommended is "Manual of Appraisals"

by H. R. Markle, Dixie Terminal building, Cincinnati.

Independent adjusters and adjusting companies are having a number of calls from local agents and field men for appraisal service. While these men are engaged in loss adjustments naturally the question of values comes up all the time. Therefore they have found it necessary to meet the demands of the day. Agents appreciate the value of appraisals so that their assured may learn just what values he has. Companies are swamped with requests and agents turn to adjusters.



Frequently, all that is required to turn a "so-so" month into a highly successful month is a little extra effort. For example, you may be able to make September one of the most productive periods of the entire year by simply sending every client and prospect on your list a brief message emphasizing the complete dependability of property insurance. Like this:

If, for any reason, your property happened to be seriously damaged or destroyed, you'd want to be sure that the insurance you carry would enable you to be paid fairly and promptly.

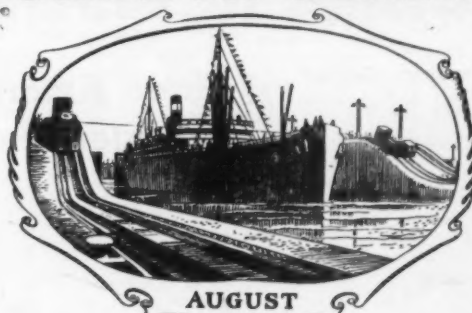
By authorizing us to place your insurance with one of the strong Capital Stock Fire Insurance Companies we represent, you can be sure that you'll be fully protected in any contingency.

Recently issued financial statements of these soundly financed, forward-looking companies show that a strong backlog of reserve funds are available for the immediate payment of any disaster, no matter how extensive its scope or destructive its damage.

Why not put this promotion idea to work? The cost won't be of much significance, but the results may be!

TO AID YOU
In selling insurance, this ad of the Fire Association Group appears in NATIONS BUSINESS and U. S. NEWS for AUGUST

INSURANCE CALENDAR



On August 3, 1914, interoceanic shipping rates came in for extensive overhauling when the first ocean steamer passed through the Panama Canal. Much earlier than this—earlier by 48 years, in fact—the stage for today's extremely

low property insurance rates was set when the National Board of Fire Underwriters was founded. This organization, sponsored by leading capital stock fire insurance companies, is dedicated to the scientific reduction of fire hazards.

1945—AUGUST hath 31 days

"Save a seat for a soldier—
spend your vacation at home!"

ASTRONOMICAL CALCULATIONS

EASTERN STANDARD TIME

AUG.	Latitude +30°	Latitude +35°
1	5:19 6:53	5:09 7:03
6	5:21 6:49	5:13 6:59
11	5:24 6:45	5:16 6:54
16	5:27 6:41	5:20 6:48
21	5:30 6:36	5:24 6:42
26	5:33 6:30	5:28 6:36
31	5:36 6:25	5:31 6:29

AUG.	Latitude +40°	Latitude +45°
1	4:58 7:14	4:44 7:28
6	5:02 7:09	4:50 7:21
11	5:07 7:03	4:56 7:13
16	5:12 6:56	5:02 7:06
21	5:16 6:49	5:08 6:57
26	5:21 6:42	5:13 6:49
31	5:26 6:34	5:19 6:40

AUG.	Latitude +30°	Latitude +40°
1	1:06 3:15	12:43 3:42
3	2:50 5:15	2:23 5:43
5	4:49 6:54	4:23 7:17
7	6:47 8:10	6:31 8:23
9	8:37 9:14	8:32 9:17
11	10:23 10:15	10:29 10:06
13	12:09 11:20	12:25 11:02
15	2:00	2:24
17	3:52 1:26	4:19 12:58
19	5:36 3:18	6:00 2:52
21	7:06 5:28	7:20 5:09
23	8:24 7:41	8:26 7:35
25	9:40 9:53	9:29 10:01
27	11:05 12:05	10:43 12:25
29	12:12	2:40
31	1:12	2:40

To obtain local times of sunrise and sunset for longitudes other than the standard time meridians (i.e., 75°, 90°, 105°, and 120° for Eastern, Central, Mountain, and Pacific Standard Time), decrease the time four minutes for each degree east of the standard meridian, or increase the time four minutes for each degree west of the standard meridian.

- 1—W. — 1876, Colorado admitted to Union (38th State).
- 2—Th. — 1909, Army Air Corps founded.
- 3—Fr. — 1492, start of Columbus' first voyage.
- 4—Sa. — 1932, grain elevator-lumber yard fire caused \$10,000,000 property damage, Chicago, Ill.
- 5—Su. — Big fire or small, Fire Association Group adjustments are always prompt, always fair!
- 6—M. — 1890, 1st legal execution by electricity.
- 7—Tu. — New Moon, 7:32 P. M., E. S. T.
- 8—W. — 1905, Russo-Jap peace conference.
- 9—Th. — 1902, coronation of Edward VII, England.
- 10—Fr. — 1874, birth of Herbert Hoover.
- 11—Sa. — 1807, Fulton's Clermont made 1st trial run.
- 12—Su. — Property insurance rates are the lowest ever—buy whatever additional coverage you need now!
- 13—M. — 1898, Manila surrendered to U. S.
- 14—Tu. — 1943, Rome declared an open city.
- 15—W. — First Quarter, 7:26 P. M., E. S. T.
- 16—Th. — 1858, 1st Atlantic cable message sent.
- 17—Fr. — 1943, USAAF and RAF 1st bombed Schweinfurt.
- 18—Sa. — 1924, evacuation of Ruhr began.
- 19—Su. — NATIONAL AVIATION DAY
- 20—M. — 1940, death of Leon Trotsky in Mexico.
- 21—Tu. — 1858, Lincoln-Douglas debates began.
- 22—W. — 1942, Brazil declared war on Germany-Italy.
- 23—Th. — Full Moon, 7:03 A. M., E. S. T.
- 24—Fr. — 1867, Johns Hopkins Univ. founded.
- 25—Sa. — 1944, U. S. troops entered Paris.
- 26—Su. — Have your Agent or Broker check up on your property insurance before going on vacation!
- 27—M. — 1859, 1st successful U. S. oil well drilled, Pa.
- 28—Tu. — 1565, Spanish landed at St. Augustine, Fla.
- 29—W. — Last Quarter, 10:44 P. M., E. S. T.
- 30—Th. — 1924, Dawes reparation plan accepted.
- 31—Fr. — 1944, U. S. troops crossed Meuse River.

OBSERVATION for August:

Inasmuch as replacement prices have advanced about 31% in the last four or five years, this is no time to stand pat on property insurance.

MORAL for August:

Protect yourself against losses due to shrunken coverage—see your Agent or Broker today!

PROPERTY INSURANCE
Fire—Automobile—Marine

FIRE ASSOCIATION GROUP

Fire Association of Philadelphia
The Reliance Insurance Company
PHILADELPHIA

Lumbermen's Insurance Company
Philadelphia National Insurance Company
PENNSYLVANIA

SYMBOL OF SECURITY SINCE 1817

COMPANIES

Big Gains for Fidelity-Phenix

Fidelity-Phenix in its midyear statement reports assets of \$120,205,369 on an amortized basis and \$122,283,255 on a market basis. This compared with \$107,076,891 on an amortized basis at Dec. 31. Premium reserve is \$22,343,121, the increase being \$2,067,532. Capital is \$15 million and net surplus \$70,772,642. Surplus to policyholders is \$85,772,642 as contrasted with \$75,927,272 at Dec. 31.

Premiums written were \$12,243,530 and premiums earned \$11,175,998. Losses were \$6,420,333 and expenses \$4,524,155. There was an underwriting profit of \$231,509.

To Increase Excelsior Capital

A special meeting of stockholders of Excelsior of Syracuse has been called for Aug. 13 to act on the proposal to increase the authorized capital from \$370,000 to \$400,000 and to perform the necessary formalities looking to the disposal of the additional shares. The number of

\$5 par value shares would be increased by 66,000.

Haun to Scottish Union Head Office

Raymond G. Haun has been appointed agency superintendent of Scottish Union and its subsidiary companies in the eastern territory. He was educated at Syracuse University, a member of the class of 1927. He received his early insurance training with a large Syracuse agency; later was with Travelers and then became special agent of Firemen's of New Jersey.

Prior to his appointment as agency superintendent, he was special agent for the Scottish Union group in western New York and northern Pennsylvania. Mr. Haun frequently has been called in to assist at the head office in Hartford over the past several years.

Three America Fore Adjusters Advance

The America Fore fire companies have promoted Frederic G. Buswell, Ralph E. Atkinson and Eugene S. Bro-

kaw from loss adjusters to assistant general adjusters.

Mr. Buswell has been staff adjuster for northern New Jersey at Newark. Mr. Atkinson and Mr. Brokaw have been working from the home office for some time. Mr. Buswell, for several years, was with Westinghouse and later with the General Adjustment Bureau, Philadelphia. He joined America Fore in 1918 in his present position. He is a member of the fire prevention committee of the Newark Safety Council and has served as its chairman.

Mr. Atkinson went with the loss department of Continental in 1900. He has held various posts including that of chief clerk's assistant and adjuster in the New York City territory. Mr. Brokaw entered insurance as an engineer for the Middle States Inspection Bureau and when that organization was discontinued, went with America Fore in 1911. All of his service has been in the field where he successively has been inspector, assistant special agent, engineer, special agent and adjuster.

Holt Is National Union Fire Engineer in West

Harmon S. Holt has joined National Union Fire as engineer with headquarters in the Chicago office.

Mr. Holt attended Armour Institute's course in fire protection engineering. He became associated with Kansas Inspection Bureau and with the exception of two years, remained with that organization until 1942. For the past three years he has been engaged in an engineering capacity with the army air forces at Wichita.

Mr. Holt will service the western states, succeeding Charles P. Kuffel, who recently was appointed state agent for Illinois outside Cook county.

New Alaska Company Forming

A capital stock company, to be known as Alaska National Insurance Company, is being formed at Juneau to write fire, marine, life, accident, liability, fidelity and surety, motor vehicle and miscellaneous lines. Albert White, Scott L. Murphy and Rev. Eugene Olendy, all of Juneau, have filed articles of incorporation with the territorial auditor. The company, which has not yet completed its qualification to operate, will be capitalized for \$200,000.

Bertram N. Carvalho, president of Metropolitan Fire Reassurance, has been elected chairman of the board of directors of that company. He will continue as president.

FIELD

Annual Fire Prevention Report for Midwest

The fire prevention department of the Western Actuarial Bureau, headed by Richard E. Vernor, has gotten out its 23rd annual report covering activities of the past year.

Some 1,250 fire insurance men participated in the S.W.I.S. activity in 18 states, according to the report, and approximately 13,700 inspections were completed.

Eight midwest states held 21 town inspection campaigns, inspected 4,918 risks, made 12,084 recommendations and secured 42% compliance. The average number of recommendations per risk criticized was 3.2.

Indiana Chairmen Named

Arthur H. Wishard, Northern of England, has been selected chairman of the executive committee of the Indiana Fire Underwriters Association. Other committee chairmen are R. C. Walker, Royal-Liverpool, public relations; H. W. Mullins, National Fire, entertainment; W. G. Wheeland, Automobile, and W. R. Caskey, Travelers, educational; J. W. Byrne, American, fire prevention; J. C. Johnson,

Pennsylvania, rules and forms; G. R. Pritchett, American, armed service; C. F. Marberry, Home, farm, and R. O. Hudler, Aetna Fire, grievance.

Hartung Returns to Ill. Field for Security of Iowa

Vern Hartung has been released from the army and is returning to Security Fire of Davenport as Illinois special agent. His headquarters will be at the home office. Mr. Hartung has been with Security Fire 10 years and he traveled in Illinois to some extent from 1940 until 1942.

Start N. J. Meetings

The New Jersey Special Agents' Association will start its fall and winter season with a dinner in Newark on Sept. 4.

Kelley, Tea in New Posts

Clarence H. Kelley, for eight years state agent in Oklahoma for Home of New York, has been promoted to manager. Charles L. Tea, Oklahoma special agent, has been named state agent for Texas with headquarters at San Antonio.

The Illinois Blue Goose is holding a Ladies' Day and golf event at St. Andrews Golf Club, West Chicago, Sept. 25 if there are sufficient postcard returns to warrant.

All-Industry Group Holds Parley at New York

(CONTINUED FROM PAGE 3)

Ray Murphy, general counsel Association of Casualty & Surety Executives, was selected as chairman of the session. H. G. Wood, special assistant to President T. I. Parkinson of Equitable Society, was chosen to act as secretary.

A. V. Gruhn, general manager American Mutual Alliance, who has had charge of arrangements for the committee, was unable to be present for the first days' session and it appeared doubtful that he would be here for the second day.

The first day was devoted principally to discussion on constitutional law covering the points involved but the aim of some of the industry groups was to select a smaller committee representing the insurance industry which would first of all go to Washington and obtain clarification on the term "regulation" as used in public law 15, particularly the reference to aspects "not otherwise regulated by the states." It is believed that until this point is cleared up the industry will be groping in the dark in trying to work out the proper approach to changes needed in state regulation.

About 40 had arrived up to noon Wednesday. Among those on hand were Roger Englar, A. C. Charles, and J. T. Byrne of American Institute of Marine Underwriters; F. J. Marryott, C. F. Goodale and J. B. Beach of American Mutual Alliance; R. L. Hogg, general manager American Life Convention; former Senator Herbert and Hovey Freeman, representing the Associated Factory Mutuals; F. L. Harrington and F. M. Walters of the Health & Accident Underwriters Conference; H. L. Wayne, Inland Marine Underwriters Association of America; W. H. Bennett and W. Ray Thomas, National Association of Insurance Agents; Henry Moser and Russell Matthias, National Association of Independent Insurers; H. E. Moore and R. W. Badger, National Association of Insurance Brokers; J. Raymond Berry, National Board; H. L. Ekern and Edmund Cummings, Jr., National Fraternal Congress.

Commissioner Harrington of Massachusetts and Superintendent Dineen of New York represented the National Association of Insurance Commissioners.

Claude Kitchell, 44, general counsel of Great Central Mutual of Peoria, Ill., died this week at Sturgeon Bay, Wis.



WHEN people want all the latest news about the most recent developments in the insurance field, to whom do they turn?

THE LOCAL INSURANCE AGENT

He is thoroughly trained, well informed, and ever-ready to assist on all insurance problems. We feel highly honored when he represents one of our companies and do our part to make him feel that his choice has been a wise one.

Phoenix-London

GROUP

55 FIFTH AVENUE • NEW YORK

PHENIX ASSURANCE CO., Ltd.
IMPERIAL ASSURANCE COMPANY
COLUMBIA INSURANCE COMPANY
UNITED FIREMEN'S INSURANCE CO.
THE UNION MARINE & GENERAL INSURANCE CO., Ltd.
LONDON GUARANTEE & ACCIDENT CO., Ltd.
PHENIX INDEMNITY COMPANY



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CHICAGO

EMPLOYMENT SITUATION

Chicago offices find that there is some easing up in the employment situation so far as female help is concerned. The manpower commission has lifted the prohibition so far as that class is concerned. Chicago is in a critical zone and the restrictions as to employing male help still exist. However, there are some returning veterans that have been employed. There will be a marked competition for the higher class of young men as soon as they are available. Almost every organization and office is looking for additional material of this kind.

LOCAL AGENTS PROSPEROUS

In spite of travel restrictions and other disturbing influences local agents throughout the middle west are reporting increases in premium volume. Evidently people still have more money to spend than they did before and they are willing to listen to insurance suggestions. One does not need to be an expert or high pressure salesman to close business. An intelligent suggestion made will likely bring in results.

RAND GOLF WINNER

Edwin Rand of Eliel & Loeb beat W. H. Stevens of Fred S. James Co. in the golf championship playoff of the supervising agencies of the Chicago Board. Eight low qualifiers in the Chicago Board outing play participated in the finals match at Hinsdale. Mr. Rand has won the championship two previous times.

MAY USE APTITUDE TESTS

Guy W. Ferguson, head of Ferguson Personnel of Chicago, who is one of the leading experts in getting men fitted to insurance offices believes that in due season aptitude tests will be brought into play. At present important men are employed largely on their experience and reputation and ability but no account is taken of their special aptitudes and leanings. Mr. Ferguson in his work not only studies the man but the position to be filled. He makes as sound an investigation as possible of the men but so far has not applied aptitude tests.

NEW SUPERVISING AGENCY

Manuel H. Donchin and Myron A. Hecht have formed Donchin, Hecht & Co., a metropolitan supervising agency of the Chicago Board. Mr. Donchin is president, Mr. Hecht vice-president and Miss E. R. Semple, secretary. The agency will represent Palatine for fire and inland marine; Travelers Fire for inland marine; Travelers for life, accident and group; American Casualty for casualty lines, and American Aviation & General for certain specialized lines. Offices will be in the Insurance Exchange building.

After experience in the newspaper

LOCAL AGENCY

Near the Atlantic seaboard has a place for an energetic field man to come in and assist in its management. The owner will give this man an opportunity to buy an interest in the agency.

FERGASON PERSONNEL

Insurance Personnel Exclusively
166 W. Jackson Blvd., Chicago 4, Ill.

advertising and real estate business, Mr. Donchin joined Travelers at Chicago 15 years ago. He is a Chartered Life Underwriter and in 1944 became a C.P.C.U., one of three in the U. S. holding both designations. He is secretary-treasurer of the Chicago chapter of the American Society of Property & Casualty Underwriters.

Mr. Hecht, since attending the Travelers' home office agency school in 1939 has been in production for Travelers in Chicago. He has been one of the life leaders for that company.

NEW YORK

FEWER VACATIONS THIS YEAR

The curtailment in travel, due to withdrawing Pullman sleepers within 450 miles, the rule that on longer trips, accommodations both ways can not be secured until five days before leaving, the crowded conditions of trains, will have a vital effect on vacations. People will stay home this year in far greater numbers.

Wide awake insurance men are taking advantage of the situation. They realize that fewer people will now travel. The fact that the railroads have thus been forced to curtail service has thrown an additional burden on airplanes. People are urged not to take vacations. Therefore, more business men will be at home this summer than ever before. Insurance salesmen who are looking for opportunities to increase their business find that the summer will be an excellent time for canvassing, and seeking new policy holders. Agents are laying out campaigns. They are able to reach men that they have not been before. Therefore in spite of the usual slump that comes in July and August it is expected that this year the two months should make a very good showing. Salesmen find prospects are much easier to reach.

CREDIT MEN LOOK AHEAD

Credit men of insurance companies have not had so many trials and tribulations during the last three years as they have in the past because most concerns were making money and the moral hazard was considerably reduced. The financial condition of enterprises had improved. Now with the prospect of many people being laid off and concerns doing war and defense work having to readjust their program there may be considerable effect on insurance especially with so called mushroom concerns that had no previous records of consequence. In some instances promoters started factories of various kinds manufacturing all sorts of munitions, airplane parts and other products needed in war. As their activities are curtailed naturally their financial condition will be brought into question. Underwriters, therefore, are watching concerns of this kind.

INSURANCE SOCIETY RECORD

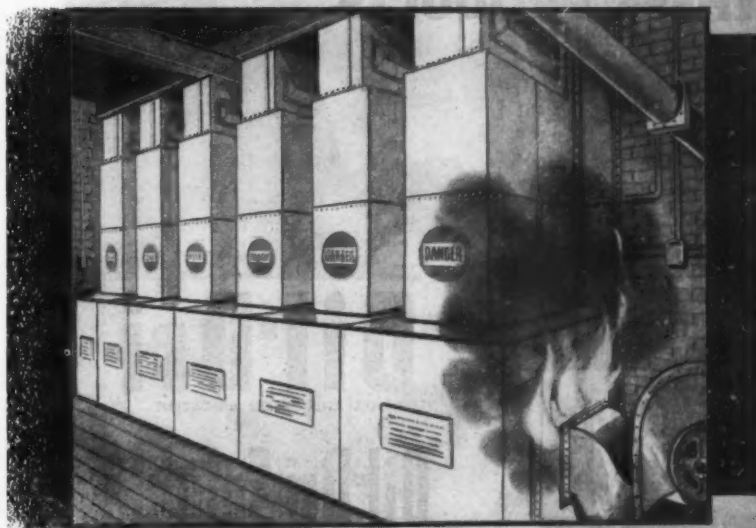
The Insurance Society of New York showed a slight drop in number of students for the 1944-45 season, the total being 630 as against 694 for the previous year. Before the war the figure was running about 1,700. Of the total of 630, 469 were in regular courses given in the insurance district while 161 were in special courses given elsewhere.

Despite the manpower shortage the 469 who took the regular courses included many more men than women, 293 being men and 176 women, although the previous year there were 396 women and 298 men. The reversal in ratios appears to be due mainly to the fact that a year ago there were more of the "junior" courses given, some of which were attended exclusively by women. During the past year, on the other hand, several advanced courses were given for the first time and these were attended almost exclusively by male students. The courses in casualty engineering, fire inspection and rating, and fire insurance loss adjusting, had a total of 71 students, all but one of whom were men.

"AUTOMATIC" FIRE-FOG STOPS FIRES

• IT BLANKETS • IT ISOLATES • IT QUENCHES •

that imperil Air Blast Transformers



SPECIFY FIRE-FOG to protect Air Blast Transformers from fires in associated equipment such as blowers and filters.

WHY?

Because, when fire breaks out, FIRE-FOG goes into action instantly and automatically—stops the fire quickly and surely.

FIRE-FOG, the ultimate in fire protection systems, uses water in fog form to extinguish fires safely in electrical equipment . . . an investment in protection of immeasurable worth wherever the possibility of fire exists.

"Automatic" Sprinkler

"AUTOMATIC" SPRINKLER CORPORATION OF AMERICA

YOUNGSTOWN, OHIO OFFICES IN 36 CITIES

"Automatic" Sprinkler manufactures and installs a complete line of fire protection devices and systems for all types of fire hazards. Listed by Underwriters' Laboratories and approved by Factory Mutual Laboratories.

IN U. S. WAR SERVICE

T/Sgt. Paul Hemmer, who was formerly employed in the Cincinnati office of THE NATIONAL UNDERWRITER, has returned from Germany on a redeployment furlough after serving with an artillery unit of the 87th division throughout the 3rd army's advance through France into Germany. He is a nephew of George C. Roeding, associate manager for Ohio of THE NATIONAL UNDERWRITER.

First Lieut. Gerald L. Perry, Jr., son of the assistant superintendent of the Hartford Accident surety department at Seattle, has received the silver star for gallantry in action. With the 66th infantry of the 71st division of the third army near Velden, Germany, in April he led his platoon in the face of intense machine gun and sniper fire in an attack

across an open field and caused heavy enemy forces to withdraw. A younger brother, First Lieut. William T. Perry with the 117th infantry, 30th division, ninth army, is on his way home with the Purple Heart, four battle stars and a Presidential unit citation.

Capt. W. E. Dow, formerly in the bonding department of R. B. Jones & Sons, Kansas City, has returned home for a 45 day leave after serving in the European theater for two years. Capt. Dow will later go to the south Pacific. He is the son of A. C. Dow, farm special agent in Kansas for America Fore group.

Tech. Sgt. Nick Kleber of the army medical corps and former Royal-Liverpool state agent at Wichita, Kan., is home from Germany for a month's furlough. He expects to be assigned to the southwest Pacific.

Col. Howard Searle, former Kansas

state agent for Crum & Forster with headquarters in Topeka is back from Europe and spending 30 days leave with his family at Chipita Park, Colo. Col. Searle is expecting to see further service in the south Pacific though he has over four years to his credit so far.

Cpl. R. T. Wellman, formerly with the Wichita office of the Kansas Inspection Bureau arrived at Ft. Leavenworth with 102 points credit for his near three years in north Africa, Sicily and Italy. However, he was declared "essential," given a 30 days' furlough and ordered to report back for redeployment to the Pacific.

Ewell J. Batt, son of E. H. Batt, Wichita agent, has been promoted to captain at Ft. Slocum, N. Y., where he has been stationed as a personnel officer.

Corp. Urban H. Parmenter, son of H. H. Parmenter, veteran adjuster of New Amsterdam Casualty in Chicago, and Northwestern Casualty manager in that city years ago, has returned from Germany and is visiting his parents for 30 days before being reprocessed to take part in the Pacific conflict. He saw much service with the 13th armored division of Gen. Patton, taking part in the invasions of the Ruhr valley, Bavaria and southern Germany. Corp. Parmenter has been in service 33 months. He trained as a tank gunner but for a long time has been assigned to a command tank assisting the commander.

Lt. H. J. Schoeppe, former Commercial Union state agent at Wichita, who has been in Hawaii more than two years, serving as a base censor, has been sent to the army hospital at Hamilton Field, Cal., for medical attention. He probably will be transferred to a New Jersey hospital.

Lt. Hugh H. Murray, Jr., is now ordnance officer of Torpedo Squadron 15 on an Essex class carrier in the Pacific. He writes that this is the most decorated unit in the navy, but adds that the decorations were awarded before he joined the squadron. Before entering the navy about 18 months ago, Lt. Murray was a prominent agent at Raleigh, N. C. He was a trustee of the American Institute for Property & Liability Underwriters and an officer of the National Association of Mutual Insurance Agents.

John M. Shields, who was on the staff of Fire Companies Adjustment Bureau in Los Angeles before entering the army four years ago, has been awarded the bronze star in recognition of outstanding services in the southwest Pacific. Now a chief warrant officer, Mr. Shields has been with Gen. MacArthur for three years. He is a nephew of A. V. Holman, assistant secretary of America Fore in the Pacific Department.

Joint Outing at Toledo Aug. 23

The Toledo Association of Insurance Agents and Wood County Insurance Board will hold a joint annual outing Aug. 23 at Bowling Green Country Club.

Missouri Department Actuary

Superintendent Scheufler of the Missouri department announces that Theodore Stalzer of Jefferson City, Mo., who for a number of years at different times has served in the Missouri department will act as consulting actuary when R. G. Diepenbrock the department actuary joins the North American Accident at Chicago to take charge of its life insurance department.

Discusses Airplane Fires

William H. Rodda, secretary of the Mutual Aircraft Conference, Chicago, spoke at the Pennsylvania Firemen's Training School in Lewistown on the handling of airplane fires.

Hugh W. Donnan, assistant manager of Hartford Fire in the western department, has returned to his home in Chicago after a time in the hospital with pneumonia. He will return to his office in a few weeks.

WDC Now Covers Imports Into P.I.

WASHINGTON—War Damage Corp. has extended its coverage to imports into the Philippine Islands after their arrival there. This is of two types—floater on goods in transit and deposit premium on goods in transit and in storage.

Also WDC has authorized fiduciary agents to accept applications for insurance on eligible property in Guam. Such agents need not be licensed there nor in the Philippines.

Meanwhile WDC has received two interim reports from its special investigators sent to the Philippines to survey war damage conditions. These reports indicate damage and destruction in the islands are very heavy. Records of all kinds have been destroyed. The investigators are working under great handicaps and it will be difficult to complete the survey and make final report, recommending what should be done about the Philippine war damage problem.

The extension of coverage in the Philippines applies to imports received there July 1 last and since. The degree of protection under the two plans WDC says is identical, the difference being only in method of premium payments.

Under the new program policies on property in any other area may not be extended to property in the Philippines nor shall policies on Philippine imports include property elsewhere.

Covers When Goods Landed

Under the floater cover, insurance will not attach to Philippine imports until landed from vessel, craft or lighter at port or place of discharge. It shall attach to property in transit by water only if covered by through bill of lading of land or air carrier or while on land conveyance in transit by water and only within Philippine harbors and inland waters. The coverage does not apply on cargoes in ocean, inter-coastal or overseas vessels or while in transit by lighter, raft, etc., between ship and shore.

Floater coverage terminates when the imports no longer retain their character in original package or form. Also when goods are sold by importer, factor or consignee or placed on sale as part of importer's stock at distribution point or delivered for manufacture or processing.

Floater coverage is considered to cover described property anywhere in the Philippines including goods in the U. S. mails or in custody of common carriers or others transporting for hire.

Floater insurance effected under the memorandum is subject to the 100% co-insurance clause and is available at the established annual floater rate of 25 cents per \$100.

Under the deposit premium plan the appropriate WDC transit application is required to have endorsement showing the application covers after landing in the Philippines.

Paul C. Howe, 66, Sioux City, Ia., local agent died following a brief illness.

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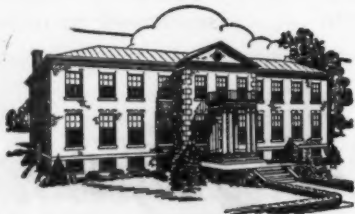
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U. & O. Reporting Form Makes Its Bow; Filed in Va.

The Virginia Insurance Rating Bureau has filed with the Virginia department its proposed reporting form for use and occupancy insurance. Unless the department raises some question or decides to hold hearings approval would normally come through within another week or 10 days.

This is believed to be the form on which the various jurisdictional representatives have been working for some time. It may be introduced in other states, although there is still disagreement on some points between the eastern, middlewestern and coast people. Virginia promises to become the first state in which a U. & O. reporting form is promulgated.

D. W. Murphy Burglary-Glass Manager of Ocean

NEW YORK—Daniel W. Murphy has been appointed burglary and glass manager of Ocean Accident and Columbia to succeed George G. Brainerd, who retired after 33 years' service. Mr. Murphy was previously superintendent of the burglary and glass department. He has been associated with Ocean and Columbia 24 years.

Mr. Brainerd joined Ocean in 1911 as head of the burglary department and in 1943 when the burglary and glass departments were merged he was appointed manager. He served as president of the Burglary Insurance Underwriters Association and was a member of the original bankers blanket bond committee of Surety Association of America.

Ohio Governor 'Alarmed' by Ind. Premium Tax Decision

COLUMBUS—Gov. Lausche of Ohio expressed "alarm" this week when advised of the decision of the superior court at Indianapolis in the Prudential premium tax case. Gov. Lausche last winter asked the Ohio legislature to enact a law removing the discrimination against the foreign companies. Out-of-the-state companies last year paid a tax of about \$8½ million compared with \$275,000 paid by domestic companies. A legislative committee approved a bill levying a 2% tax on both foreign and domestic companies but it failed of passage in both the senate and house. Five foreign companies filed suit contesting the validity of the Ohio law.

The second installment of last year's tax is due this month. It is said that about 90% are paying under protest or stating that claims will be filed for refund if the present Ohio law is declared unconstitutional.

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Hartney Back from Army in Okla. Field

Jack Hartney, who was state agent for Royal-Liverpool in western Oklahoma, has received his honorable discharge from the armed services and will resume his former position. Richard W. Wallace, state agent in eastern Oklahoma, has supervised Mr. Hartney's territory during his absence.

Mr. Hartney's father is E. W. Hartney, agency superintendent for Royal-Liverpool at Chicago.

Mr. Hartney was in the army 31 months. He was a corporal in the 87th mountain infantry and served first at Kiska and then in the Italian Alps. He had been in the Oklahoma field for Royal-Liverpool since 1936 and prior to that was at the New York head office.

Retains Bricker, Ginger in Auto Dealer Agent Cases

Hugh S. Jenkins, attorney general of Ohio, has appointed John W. Bricker, former governor, and Paul R. Ginger, Columbus, general counsel of the Ohio Association of Insurance Agents, as special counsel in the cases of Motors Insurance Corporation vs. Walter Dressel, superintendent of insurance, and William J. McGraw vs. Dressel.

These cases involve attacks upon a ruling of the superintendent which set out the department's policy of not issuing agents' or solicitors' licenses for new applicants who are connected with the automobile sales business, except for life insurance.

The cases are pending in the court of common pleas of Franklin county. The clause relative to the licensing of those engaged in the automobile sales business has been in effect several years.

Norwich Union Managerial Conference at Chicago

W. J. Rice, general manager at the head office of Norwich Union, who has been in this country and Canada about a month, arrived in Chicago Wednesday with U. S. Manager E. P. Smith for a three day managerial conference. R. L. Countryman, Coast manager, went to Chicago to join the group, and K. S. Ogilvie of Chicago, western manager, is participating. Several of the middlewestern field men will be in for a day or two. Mr. Rice and Mr. Smith are returning to New York Friday and Mr. Countryman is heading back west Sunday via Denver.

H. A. Mulligan Heads WDC

Henry A. Mulligan, treasurer and director of War Damage Corporation since its establishment, has been named president to succeed Howard J. Klossner, who resigned to go with the Chicago Corporation. Willard E. Unzicker advances from assistant treasurer to vice-president, and F. W. Davis, assistant treasurer, becomes treasurer of WDC.

Ask Prevention Week Order

WASHINGTON—The U. S. Chamber of Commerce national fire waste prevention council has recommended to President Truman that an official proclamation be issued setting a period about Oct. 7 as national fire prevention week.

NEWS BRIEFS

A. H. Wishard, Indiana state agent of Northern of England, has the sympathy of friends in the loss of his mother who died last Sunday.

J. Pierce Wolfe, veteran Moorhead, Minn., local agent, who has been ill in a hospital for some time, has recovered sufficiently to return to his home.

E. C. Manning of Bethel, O., has sold his agency to William L. Gray.

T. W. Winbigler has taken over the

agency of his father, Gordon E. Winbigler, at Ansonia, O.

Leo Purpus has taken over the agency of his father, Theodore Purpus, at New Bremen, O.

William F. Warncke has taken over the Genult & Warncke agency, Napoleon, O.

At Crooksville, O., Raymond W. Osbourne has sold his agency to Howard Z. Zollinger.

Robert C. Cole of Ada, O., has taken in Earl H. Dome as a partner and the agency will be known as Cole & Dome.

The Howard W. Elliott agency and the Cooper Insurance Agency, Westerville, O., have been consolidated as Elliott-Cooper Agency.

E. B. Alston has taken over the McGinley-Alston Agency, Hamilton, O. It will continue to be known by that name.

Wayne L. Hayes has transferred his agency at Flushing, O., to Ruth Johnson and Carl Berridge. It will now be known as the Flushing Insurance Agency.

Propose 11th Cabinet Post

WASHINGTON—The office of war mobilization and reconversion is reported considering a recommendation to create a governmental department of welfare and security, with its head holding a cabinet seat. The proposal contemplates taking over from the federal security agency headed by Administrator Paul McNutt, the social security board, public health service, offices of education and rehabilitation. The proposed department would also absorb the U. S. employment service from the war manpower commission, of which McNutt is chairman, the census bureau division of vital statistics and portions of the Department of Labor work.

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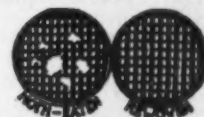
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EDITORIAL COMMENT

Plenty of Public Relations Material

It is interesting to note that other businesses and industries besides insurance are deeply concerned with the problem of public relations. More public relations consultants are opening offices and doing business. Many companies are adding public relations experts to their staffs to advise with management all along the line.

In studying what other businesses have done and what they are trying to do, it is striking to discover that as in the insurance business it is difficult to make both the objective and the means definitive and specific. It is not easy to determine what can be done, in addition to what already is being done, to improve relations with the public, and it is extremely difficult to measure the results of activities designed to improve such relations. It is much easier to discover what a good public relations program is not than what it is.

Fine words and impressive advertising alone won't do the job. Doing things that are in the public interest and not saying anything about them won't do the job. Yet practically all that the insurance business does is in the public interest, and the industry as a whole, an individual company, or an agent can use this material in various ways to improve prestige with the public. The handling of the Texas storm a year or so ago is a good example of wasted opportunity in this respect. Individual laymen who heard the story from individual insurance people were very much impressed and said they had no idea that the business was set up to do a job of the sort that was done there.

Losses are the concrete reflection of insurance in action, and yet the business has always shied away from talking about losses and continues to do so. This is incomprehensible because there is an unlimited source of dramatic, impressive material in every line of the fire and casualty business. The life people have done much better in their advertising, news and features with such material.

Many agencies do things "beyond the line of duty," over and above their obligations to the company and to the public, which are helpful to the public. They may make business, which is all to the good. For example, one agency keeps in touch with all the requirements imposed upon truckers, not just insurance requirements, so that it can advise its assured what to do. Every agency undoubtedly has insured losses in its files which, without giving actual names, could be used as stories of insurance in action. They could adapt other important losses for their own purposes, or catastrophes and the way the insurance business handles them. This would be a concrete way of expressing pride in an industry in a way that would communicate itself to the public.

The agent, company, or the business as a whole, might well sit down and list the things it does of which it can be proud and which at the same time will be of interest to the public to hear or read about. Somewhere between free calendars and the story of Underwriters Laboratories there is an immense wealth of material that has not been used.

Wind Loss Routine Needed

In the realm of postwar planning, we recommend that the fire insurance companies undertake to acquire an equilibrium in their attitude towards and in their handling of windstorm claims. Every year since extended coverage became widely accepted, the loss departments of fire companies have endured hectic summer periods with everyone beside himself trying to dispose of the huge volume of paper work involved in paying for thousands of damaged roofs, sidings, etc. Every year it is the same story, except worse and the ferocious activity of the loss departments has a dismal affect on the spirit of underwriting executives who go through the summer with long faces.

Naturally, during the war emergency, nothing more could be done than what has been done to facilitate the handling

of windstorm and hail losses but we suggest that when normal times return insofar as employment is concerned, the insurance companies and adjusting organizations adjust themselves to the idea that from here on in a surge of losses is bound to occur during a five or six month period, that this is simply a new insurance routine and they should plan to set up the necessary machinery and acquire the necessary personnel to handle the deluge of claim work in their stride.

The fundamental change that it seems to us is needed is primarily one of mental outlook. Instead of looking upon each season's loss experience as an exceptional calamity and hoping that next year may be different, it would be well to tot up the average number of claims over a period of years, treat

that as the normal expectation and prepare in advance to dispose of that amount of work under a normal working schedule. That, of course, might increase the cost but if so that is a proper item to be charged back into the rate. We don't mean to say that the insurance companies and insurance ad-

justing organizations have not handled their windstorm losses efficiently and expeditiously but the extra work has been treated pretty much as an emergency matter rather than as something to be anticipated, planned for and disposed of without going into conniption fits.

PERSONAL SIDE OF THE BUSINESS

Completion of 25 years' service with Hartford Accident will be observed Thursday by William C. Smith, special agent in charge of the Columbus service office. He joined the company as an auditor at the home office in Hartford, was appointed special agent at Portland, Me., in 1927, later transferred to Columbus, and in 1931 was advanced to his present post with supervision of operations in central and southern Ohio. Prior to joining Hartford Accident he was with Aetna Life after a career as a professional magician. He is past president of the Casualty & Surety Managers Association of Ohio. He lectures on insurance at Ohio State University.

Capt. Martin D. Jacobs, legal adviser of the insurance branch of the War Department, has been released from active duty. He was instrumental in arranging the loss procedure under which army losses were handled by Fire Companies Adjustment Bureau, Western Adjustment and Underwriters Adjusting. Before entering military service he practiced law and is a member of the New York City firm of Hodges, Reavis, Pantalone & Downey.

Assistant U. S. Manager John L. Mylod of North British will be vacationing this month in northern Minnesota. He and his family are leaving this week by Northwest Airlines, which was recently extended to New York City.

Mrs. Lillian L. Herring of Chicago, executive secretary Illinois Association of Insurance Agents, secretary Illinois Insurance Federation, who handles the detail work for other insurance organizations, left last week to spend three weeks or so at her cottage on Sturgeon Bay. This is situated on a hill on family property of many years ownership.

Allan I. Wolff, Chicago, past president of the National Association of Insurance Agents, was in Washington visiting with his son, stationed at the Pentagon after three years service abroad.

Joseph E. Cryan, assistant secretary of America Fore at Chicago, and Mrs. Cryan have just returned from a honeymoon in the Black Hills. Mrs. Cryan is the former Mrs. Irene Heuer of Chicago. For approximately 13 years Mrs. Cryan was in the collection department of America Fore at Chicago.

Gilbert E. Stecher, special agent, marked his 25th anniversary with the Commercial Union group and was honored by his associates and friends at a surprise luncheon in Hoboken. Harvey B. Nelson, president of Nelson & Ward Company of Jersey City, presented Mr. Stecher with an anniversary gift. Mr. Nelson acted as toastmaster. Mr. Stecher has been in the New Jersey field for Commercial Union since he joined the group, and previously he had been special agent for Home of New York.

He is the author of several fire prevention text books.

John R. Cooney, president Firemen's of Newark, has been named to the committee of buildings to raise \$2,046,000 for the Y. M. C. A. in Newark.

The story of the picturesque character long remembered in San Francisco as "Emperor Norton" and told in the booklet published by the Fireman's Fund under the title of "Storied San Francisco," is being published in the Aug. 11 issue of "The Saturday Evening Post." The "Post" purchased the newspaper and magazine rights to the Norton story—an unusual proceeding for that publication.

Emperor Norton was Joshua Abraham Norton. After some personal unhappy experiences he became an eccentric, garbed himself in gaudy dress and announced himself as the "Emperor of America and Protector of Mexico." San Franciscans humored him, aided him and enjoyed him during the 1860's and 70's.

Commissioner McCormack of Tennessee has plans to return to his office in Nashville about Aug. 15. He has been recuperating from his illness at his former home in Memphis where he has been keeping in close touch with the insurance department affairs and making plans for the next meeting of the National Association of Insurance Commissioners, of which he is president.

A. E. Pipkin, founder and head of A. E. Pipkin & Sons, Memphis agency, recently celebrated his 70th birthday and his 30th year in insurance. He is still very active in the agency.

John B. Carvalho, vice-president of Metropolitan Fire Reassurance, has returned from a business trip to Paris. He finds that the French insurance interests did not suffer materially during the occupation of the Nazis and are getting ready to resume normal business relations with the outside world.

Harry M. Gambrel, Gambrel-Stubbs agency, Kansas City, is back at his office after undergoing a serious operation. Mr. Gambrel is president of the Missouri Association of Insurance Agents.

Roy E. Budde, manager of the Chicago branch of Badger Mutual Fire, is on a fishing expedition in northern Minnesota. With two friends he is canoeing in the Arrowhead section of the state in the vicinity of Lake Kawishiwi near Ely.

A. A. Knopp, Chicago, special agent in Illinois for the New York Underwriters who suffered a heart attack last March, is now able to report to his office and participate in office work. It will be some time before he can travel. He is gaining strength daily.

James P. Guy, manager of the automobile division in the western department of the America Fore was mar-

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died Saturday to May Dixon of Chicago. A. R. Miller, special agent of the Amer-ica Fore in Illinois, officiated as best man in most approved style. The honey-moon is being spent in Michigan. Re-ception was held at the Graemere hotel in Chicago at which about 50 were present.

C. L. Frates, C. L. Frates Co., Okla-homa City, who has been confined sev-eral days to the hospital is reported im-proving.

DEATHS

Arthur F. Shaw, vice-president of the Arthur F. Shaw & Co. agency of Chi-cago and one of the best known men in the insurance production ranks in Chi-cago of his generation, died at St. Francis Hospital, Evanston, early Tues-day morning. He suffered what appeared to be a stroke at his home at Glencoe Sunday. There had been no premonition of trouble and Mr. Shaw had been at his office the previous day. Mrs. Shaw and one of the daughters were visiting W. F. Kuffel, executive vice-president of Du-buque Fire & Marine, and Mrs. Kuffel at Dubuque at the time, and I. C. Faber, Chicago manager of National Union Fire, and a close personal friend of Mr. Shaw, was summoned and took him to the hospital.

Mr. Shaw had just passed his 49th birthday. He was the son of A. F. Shaw who was a prominent local and general agent in Chicago and company manager, and who died in 1926. Prior to the last war Arthur Shaw was employed at A. F. Shaw & Co. and then after seeing army service in Europe he returned to Chi-cago and operated as a broker at the suggestion of his father. In 1924 he be-came a member of the corporation of A. F. Shaw & Co. In recent years he had been in charge of production for the agency and also specialized in han-dling jeweler's block policies.

Besides Mrs. Shaw he leaves two

daughters and a son. A brother, Reg-inald Shaw, was formerly Chicago man-ager of Toplis & Harding and there are two sisters.

Mr. Shaw's father in the early days was chief clerk of the local department in Chicago of Goodwin, Hall & Hen-shaw. In 1902 the firm became Hall & Henshaw of Chicago and later Mr. Shaw bought an interest and the name of the agency was changed to A. F. Shaw & Co. From 1907 until 1913 Mr. Shaw also acted as U. S. manager of Law, Union & Rock.

Funeral services for Mr. Shaw will be held Friday at 11 a. m. at Christ Church, Winnetka.

Fritz Bruhn, 83, retired pioneer local agent of Milwaukee, died at his home. A native of Germany, he went to Mil-waukee as a young man and established his agency more than 50 years ago.

Charles B. Peterson, 76, secretary-treasurer of the North Wisconsin Agency, Rhinelander, Wis., and its predecessor for nearly half a century, died at a hospital there shortly after be-ing stricken in his office with a heart at-tack. He first began insurance work with John Barners and Elwood Weesner in Barnes & Weesner, and then was with C. E. Estabrook and Charles Gib-son in the present firm.

Lee McGriff, 66, prominent Birming-ham, Ala., general agent died there. From 1912 to 1929 he was with Ed S. Moore and Lee McGriff, Inc., and he was branch manager for U. S. F. & G. for a number of years. At the time of his death, he was president of Lee Mc-Griff, Inc., general agency.

Harry B. Mariner, 67, from 1931 to 1943 secretary-treasurer of the Fire Un-derwriters Association of the Pacific and a veteran of the fire insurance business on the Pacific Coast, died. Funeral services were held in Oakland. Mr. Mariner, who started with the North British in San Francisco, went to the Hawaiian Islands in 1903 as manager

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Aetna Fire	10	1.80*	53	54 1/2
Aetna Life	10	1.50*	47	48 1/2
Amer. Alliance ..	10	1.20*	21	22 1/2
Amer. Cas.	10	.60	11 1/2	12 1/2
Amer. Equitable ..	5	1.00	17	18
Amer. Home	10	...	11	12
Amer. (N. J.) ..	2.50	.60*	17	18
Amer. Surety	25	2.50	66	68
Balt. Amer.	2.50	.30*	6 1/2	6 3/4
Boston	100	21.00*	660	680
Camden Fire	5	1.00	21 1/2	23
Contl. Cas.	10	1.80*	52	53 1/2
Contl. Assur.	10	1.20	41	43
Contl., N. Y.	2.50	2.00*	50	52
Fidelity-Phen.	2.50	2.20*	55 1/2	56 1/2
Fire Assn.	10	2.50*	57	59
Firemen's (N.J.) ..	5	.40	13	14
Fireman's Fund ..	10	3.00	94	96
Franklin Fire.	5	.90	22	23
Globe & Repub.	5	.50	46	48
Gt. Amer. Fire.	5	1.20*	31	32
Hanover Fire.	10	1.20	27	28
Hartford Fire.	10	2.50*	104	106
Home (N. Y.) ..	5	1.20	27	28
Ins. Co. of N. A.	10	3.00*	94	96
Maryland Cas.	1	...	10 1/2	11
Mass. Bonding.	12.50	3.50	88	85
Natl. Cas.	10	1.25*	31	32
Natl. Fire	10	2.00	57 1/2	59
Natl. Liberty	2	2.50*	6	6 1/2
Natl. Un. Fire.	20	5.00*	175	180
New Amst. Cas.	2	1.00	28 1/2	29 1/2
New Hamp.	10	1.80*	46	48
North River	2.50	1.00	23	24
Ohio Cas.	5	.70	30	32
Phoenix, Conn.	10	3.00*	86	88
Preferred Accl.	5	1.00*	13	14
St. Paul F. & M.	10	1.40*	35	36 1/2
Security, Conn.	10	2.00*	72	74
Sprgfd. F. & M.	25	4.75*	118 1/2	121
Standard Accl.	10	1.45	35 1/2	37
Travelers	100	16.00	555	565
U. S. F. & G.	10	1.50*	43	45
U. S. Fire.	4	2.00	49	51

*Includes extras.

of the insurance department of the Hilo Trust Company. On his return he en-tered the agency business and subse-quently became assistant manager of the Pacific Coast department of the American of Newark. G. S. Mariner, a brother, is general adjuster for Aetna Fire in San Francisco.

William H. A. Munns, prominent local agent of Syracuse, N. Y., who for many years was one of the influential factors in the New York State Association of Local Agents, died after a short illness at the age of 70. He was president of Raleigh & Munns local agency.

Mr. Munns started in the business with Equitable F. & M. at Providence and then was transferred to Chicago as chief clerk. He later served as special agent in Indiana and Illinois and about 26 years ago was transferred to the New York field with headquarters at Syracuse.

Shortly thereafter Mr. Munns entered the local agency field becoming vice-president and secretary of Warren E. Day, Inc., which later became Warren E. Day & Munns. In 1924 he joined Bruns & Allis, Inc., which then became Bruns, Allis & Munns, Inc. In 1931 Stuart F. Raleigh and Mr. Munns or-ganized the local agency of Raleigh & Munns.

Mr. Munns served as chairman of the conference committee on fire insurance of the New York local agents association for nearly 20 years. He is credited with having stimulated the broadening of forms and improving of forms and clauses. He was importuned to serve as president of the New York state as-sociation but declined in the belief that he could be more useful on the fire con-ference committee.

He was former president of the Local Agents Club, now the Syracuse Under-writers Exchange, was chairman of the fire prevention committee of the Cham-ber of Commerce for 15 years, treasurer of the Y.M.C.A. A brother, Walter Munns of Philadelphia, is a representa-tive of Pennsylvania Fire.

L. B. Dean, president of Dean & Hen-derson agency, Alexander City, Ala., died. He had been in the business 20 years. His death was due to a heart at-tack. He was about 50 years of age. He had been partly paralyzed for a number of years.

Our survey service is a valuable aid to the agent who wants to maintain professional standing in his com-munity. Our fieldmen are qualified to assist in the preparation of insurance programs.

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THE
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GROUP
of
Fire Insurance Companies



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Insurance Company, Hartford, Conn.
1894

The Connecticut
Fire Insurance Company, Hartford, Conn.
1850

EQUITABLE
Fire & Marine Insurance Company
PROVIDENCE, R.I.
1889

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELiance INS. CO. OF CANADA
Montreal, Canada



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30 Trinity Street

CHICAGO
Insurance Exchange

NEW YORK
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12 States Ask for New Experience Exhibit Filing

**Some Commissioners,
However, Have Misgivings
as to Legal Rights**

NEW YORK—Nearly a dozen commissioners have already notified the casualty companies that the casualty experience exhibit adopted at the June meeting of the National Association of Insurance Commissioners will be required for 1945 operations. It is evident that at least some of the states, in fact, probably all but a few, set considerable store by this new cost-accounting exhibit and are making sure that the companies understand clearly that the report will be required. The filing date is May 15, 1946, but in subsequent years will probably be set somewhat earlier, perhaps April 15. It is to be part of the regular miscellaneous blank even though it does not have to be filed by March 1.

While the commissioners adopted the report and the exhibit and the detailed instructions unanimously, it is understood that a good many of them questioned their legal rights to require a company to follow such specific and exact instructions. It was the first time that an exhibit had ever been adopted with such specific and detailed directions. The blank must be filed under affidavit certifying that the instructions for uniform allocation of expenses have been followed, together with specific exceptions, if any.

Like N. Y. and Minn. Part I

The new exhibit is practically identical with Part I of the New York and Minnesota casualty experience exhibits. Thus, all companies entered in New York or Minnesota, where the exhibit has been required for years, will have little if any difficulty in filling out the new exhibit. However, all companies not entered in these states will have to bring their systems into line so as to follow uniform accounting instructions which will result in credible data. The instructions are sufficiently exact and there is enough optional procedures so that no trouble is looked for.

With minor exceptions the instructions for preparation of the exhibit follow the instructions promulgated by a special committee of the Association of Casualty and Surety Accountants and Statisticians in 1933 which have been followed by more and more of the member stock companies each year. Such changes as are embodied in the new instructions are in the nature of clarification.

Replaces Supplementary Exhibit

The exhibit replaces the "Supplement to Underwriting and Investment Exhibit" on page 31 of the miscellaneous blank. It will be noted that there is no reference to federal income tax in the exhibit, since this has been taken out of the underwriting and investment exhibit and made a direct charge on surplus.

The instructions are quite lengthy, covering three full pages of the size used in the annual statement blank. The greatest interest attaches to the allocation of expenses to line of business. The instructions lay down certain general principles to be applied. Internal

(CONTINUED ON PAGE 27)

Remove Boiler Priority Clause

**No Charge for Liberaliza-
tion for Risks Written
at Aug. 1, 1944, Rates**

The National Bureau companies and Hartford Steam Boiler-Employers Liability, effective Aug. 15, are removing the priority clause from the use and occupancy and outage endorsements of boiler and machinery policies. When this clause was decided upon early in the war period, it was made a part of all U. & O. and outage coverage and could not be removed even by the payment of an extra premium. As a practical matter it is believed, the necessity for invoking the clause arose very rarely. Mutual Boiler of Boston several weeks ago parted company with the priority clause.

There is no charge for removing the clause in connection with coverage written at rules and rates effective on and after Aug. 1, 1944. Coverage written at the previous rates which were at the low level reached during the heat of the boiler and machinery rate and cover war, may be endorsed to eliminate the priority clause provided the assured pays a premium equivalent to the difference between the rate charged and that required by the current manual. In no event shall the elimination of the clause produce a return premium to the assured.

The liberalization program was worked out in such a way as to avoid the necessity of canceling and rewriting policies. Boiler and machinery insurers went through that process on a wholesale scale two or three times and they are anxious to avoid any move that would involve a repetition of that experience.

The matter of issuing so-called repair and replace cover in connection with boiler and machinery insurance which was introduced by Mutual Boiler, is being held in abeyance by the National Bureau and Hartford Steam Boiler-Employers Liability. At the most recent meeting of the two interests the consensus seemed to be that if repair and replace insurance were made available, it should be used only in connection with so-called A rated risks. However, a final decision was not reached.

Most of the stock company people say that they have encountered no demand on the part of assured for repair and replace cover, even though Mutual Boiler is advertising the program extensively.

Total Illinois Automobile Premiums

The total automobile insurance premiums in Illinois last year amounted to \$45 million. This represents all classes of insurance. The loss and expense ratio reached 96%, which did not give much margin to work on. There is no threat at the present time, so far as can be ascertained, to seek any increase in automobile rates, although the collision loss ratio is extremely high. The personal liability and property damage loss ratios are increasing.

It is said that the new Illinois financial responsibility act which will go into effect Jan. 1 may increase the premiums about 25%. If that is the case, there may be no need for an increase in rates.

Slate Responsibility Law Meetings in Wisconsin, Illinois

Officials of Illinois and Wisconsin have issued notices of meetings to be attended by officials of companies writing automobile insurance to discuss the new financial responsibility laws of these states and the manner in which the public and agents and producers should be enlightened. In other words it is proposed to have a definite program of education so that insurance producers can inform their prospects and customers correctly. Wisconsin will have its meeting Friday at Madison, the notice having been issued by the motor vehicle department.

Ill. Meeting Aug. 14

In Illinois the financial responsibility law will be conducted under two departments, the secretary of state who issues the licenses and the department of public works and buildings who receives the notices of accidents and transmits the information to the secretary of state. The Illinois insurance department naturally is interested in the law. Hence the three state departments have issued a call for a meeting Aug. 15 in the auditorium of the Chicago Board at 1:30 p.m. At that time it is proposed to discuss the best methods to follow in developing an educational campaign.

International Claim Group Cancels Convention

The International Claim Association has canceled its annual meeting this year. President Fred M. Walters in a bulletin to all companies stated the association took this action in compliance with government travel regulations.

Various committees have been active and considerable work has been accomplished. The armed forces and the claim association have sponsored changes in procedures to expedite, to a greater extent, prompt payment of war casualty losses and other claims.

W. N. Hutchison, program chairman, has made arrangements for an exchange of information by mail on questions ordinarily that would be discussed at the various annual seminars. A number of excellent papers have been prepared on timely subjects for inclusion in the year book which will be published as usual. Other committees will contribute material assembled in the year.

Under the by-laws, new officers must be elected in September and arrangements have been made for distribution of proxies to members for this purpose. The nominating committee will meet with the executive committee at that time to conduct the election.

Head D. C. War Fund Work

Charles W. O'Donnell, Guardian Life manager, has been named director of community war fund solicitation among insurance, bank and real estate employees at Washington, D. C. Chief of the insurance division under Mr. O'Donnell is Ralph W. Lee, local agent, and group leaders are Ben S. Foster, Aetna Casualty; W. J. McCausland, Acacia Life; Cord V. Hyson, Mutual Insurance Agency; J. Hamilton Vance, Fidelity & Casualty.

Canadian Premiums Gain

TORONTO—Canadian casualty premiums totaled \$61,519,751 in 1944 compared to \$52,325,898 in 1943, Superintendent Finlayson reports. Incurred losses increased from \$25,938,389 in 1943 to \$30,592,136 in 1944, increasing the loss ratio from 49.57% to 49.73%. Combined

Prospect of C Card Elimination Causes Rating Problem

**May Inject Mileage
Factor to Prevent
Bargain for B Drivers**

Under the government's plan for eliminating the C ration book for motorists and giving former C card drivers more gasoline under B cards automobile underwriters are faced with a problem of determining the best way of getting a proper premium on former C drivers who are thus put into the B group.

The rating bureaus are working on this and probably a class corresponding generally to the present C group will be set up based on either mileage or gasoline consumption. The main question is where to fix the dividing line.

Conceivably the number of classes for passenger cars could be reduced to two, but studies going forward at present assume the continuance of three classes.

Simplification of Rationing

One report is that OPA is going to discontinue the C cards entirely Sept. 1, although those who have C cards will get the same amount of gasoline by getting more B coupons. Likewise, some of the old B people will probably drop down to A although they too may get close to the same amount of gasoline. Loss ratios do not encourage the companies to permit any further drops in rates. But unless something is ready by Sept. 1 the people with C cards will automatically drop down to the B rates.

One proposal, it is understood, is to apply the present rate for A card holders to those with A cards who drive not more than 3,000 miles per year; to apply the present B card rate to those with A or B cards driving not more than 5,000 miles a year, and to apply the C card rate to those with B cards driving more than 5,000 miles a year.

Whatever, if anything, is done at this time it is recognized will be of a temporary nature because the rationing program may be further changed and in the not too distant future removed entirely.

C Cards Already Fewer

The number of C cards in existence has been gradually diminishing for some time. The ration boards have been picking up the C cards and furnishing such motorists with B coupons, usually in a number sufficient to give them the same mileage as they enjoyed with a C book. Hence there are many motorists that have been enjoying the 10% insurance rate advantage of the B card holder while continuing to operate their cars on a C card basis.

A meeting is scheduled in New York for this week at which time a final decision may be reached. The National Bureau of Casualty & Surety Underwriters and Mutual Casualty Rating Bureau have been considering the subject separately and have been making proposals and counter proposals.

accident and sickness premiums totaled \$11,196,531 in 1944 with \$7,908,579 net losses incurred. Automobile premiums totaled \$20,556,660 and net losses incurred \$10,042,652.

May Reduce Rates for ATC Cover on Flights Within U.S.

WASHINGTON—Premiums for trip accident coverage for passengers on air transport command and naval air transport service planes wholly within the continental United States, under the Indemnity of North America-Marsh & McLennan program, may be revised downward, it appears from regulations or instructions issued by NATS.

One of these documents, signed by James E. Dyer, NATS command, Atlantic wing, states that "recent developments indicate" that such premiums "may be subject to some downward revision, and the insurance underwriters are currently engaged in preparing a revised set of premiums," applicable to naval air transport travel wholly within the United States. "When such revised premiums and application forms are ready for distribution, instructions and procedures will be modified accordingly. . . ."

Meanwhile the program as originally approved by the navy, with application forms, rates, etc., is applicable for domestic as well as foreign travel, the Dyer instructions state.

Another Directive

Similar statements are made in a directive by J. W. Reeves, Jr., NATS, Oakland, Cal. He wrote that subsequent to the printing of application form No. 1-AT, developments indicated that "premiums for coverage for travel on NATS or ATC" entirely within this country may be subject to downward revision and that the underwriters are preparing a revised set of premiums applicable to U. S. travel.

"Such rates when issued will be taken care of by a separate application form, which will be used for domestic travel only," the Reeves directive continues. "The foregoing should not hold up the placing of this insurance coverage into effect throughout NATS as the revised rates for domestic use will be issued at a later date."

The navy's instructions make it clear that the new air trip accident policy "on a purely optional and voluntary basis" is available to all passengers on NATS, but that "crew members and passengers traveling on NATS ferry aircraft," are not eligible.

Coverage of Policy

The policy affords coverage, according to navy instructions, "in the event of loss of life, loss of limb, or loss of sight as the result of an accident occurring while being transported as passengers in any sea, land, or air conveyance or while boarding or alighting therefrom on a trip or trips originating or continuing with NATS or ATC, or while at any airport, railroad station, steamship dock or other transportation terminal while transferring or awaiting transfer from one conveyance to another, or while being transported to or from any airport, railroad station, steamship dock or other transportation terminal as part of such trip or trips."

The NATS directives state that the proper procedures in connection with the trip accident insurance handling will be incorporated in NATS manual of instructions; that limited supplies of application forms and display signs have been received and distributed, also material describing the insurance and detailed procedures.

Indoctrination of Personnel

It is made clear that all naval air priority offices and officers and air transport offices and officers were to be equipped to apply the insurance coverage to passengers when processing them in priority offices. Squadron commanders are directed to insure indoctrination of personnel in proper methods of handling the insurance.

"Under no circumstances shall NATS personnel solicit the purchase of insurance."

ance or attempt in any manner to summarize or interpret the provisions of the policy," says the Dyer directive. "Answers to questions regarding insurance should be limited to its availability or the mechanics of completing applications therefor. Familiarity with the provisions of the policy should be acquired by the passenger himself, through study thereof; the decision as to whether or not insurance is taken out, should be made by the passenger without the advice or guidance of NATS personnel."

Such personnel may not accept cash in payment for policies. All concerned are "directed to disregard the provisions of instruction No. 7 appearing on the inside cover of the trip accident insurance application pads issued by Indemnity of North America."

If state or foreign officials where air transport and naval air priority offices are located "object to the issuance of the application for this insurance," the Dyer directive states, a "report of the objection together with reasons therefor should be referred promptly to the office of the general counsel of the Navy Department. . . ." The Reeves directive contains a similar provision.

Application in Quadruplicate

NATS passengers desiring the trip accident coverage are required to complete application in quadruplicate. Instructions say that "decision to avail himself of such insurance is solely the responsibility of the passenger." Passengers must pay by check or money order.

Applications will be checked by naval officers on the ground for correctness and to guard against possible disclosure of restricted military information. Such officer will sign as witness. Passengers are instructed in folding and mailing of application with remittance, which is dropped into a locked box. The officer will certify to such mailing and give the passenger forms to retain himself and to mail to his beneficiary.

The air transport officer or naval air priority officer keeps a record of applications in a permanent file and lists required information on each pad of forms. He is instructed to mail at the close of each month the recapitulation record to Marsh & McLennan, Inc., Washington.

St. Paul City Car Drivers Demand Protection

ST. PAUL—All the drivers of the more than 700 municipally owned motor vehicles have served notice on the city through their union that they will not continue to operate the vehicles unless protection is provided as required by the new state safety responsibility law. So the city has sought in court an order restraining the state highway department from enforcing the act against city drivers until the court can determine if city-owned vehicles come under the act. It asks for a declaratory judgment that the state cannot suspend the licenses.

Find No Individual Cover

The city carries no liability insurance on any of its cars. Its complaint says so far as known none of the drivers carries insurance. The city feels the cost of carrying insurance on 700 to 800 vehicles would be a burden.

A city-owned car has been in an accident and the complaint predicts others will occur. The driver is unable to furnish the financial responsibility required by the law, but unless he does so his license will be suspended. The highway department announced it would proceed against drivers of state and city-owned cars just the same as privately-owned and Attorney General Burnquist gave opinion state and municipally-owned cars come under the law.

St. Paul Mayor's Wife Has Responsibility Law Trouble

ST. PAUL, MINN.—Mrs. Marie McDonough, wife of St. Paul's mayor, is one of the first to view the teeth of Minnesota's new safety responsibility law. Involved in a minor traffic offense at Brainerd, Minn., Mrs. McDonough had no driver's permit in her possession, for it had expired two years ago and never been renewed. Following the accident Mrs. McDonough applied for a new license but under the new law such a license cannot be granted until she posts proof of financial responsibility. So far she has not done so and is without a license. But she need not worry. The city provides her with a car and driver.

Agree on Status of Report on National Automobile

LOS ANGELES—After considerable wrangling over whether the convention examination report of National Automobile & Casualty should be introduced as evidence at the California insurance department hearing here, counsel representing both National Automobile and the department agreed that the report would not be introduced but that hearing officers may examine and consider the report and that in the event of any proceeding to review or consider the proceedings or any orders made in connection therewith, the report may be referred to and be considered by such reviewing court the same as the report had been offered and received as evidence. However, the report shall not be copied into the record and shall not be published or made an exhibit and that it shall be kept secret or sealed.

Ernest A. Robinson, of National Automobile's claim department, answered questions relative to claims in the stipulations attached to the order to show cause.

The state rested its case late Tuesday and recess was taken until Aug. 20, when the company will open its defense.

The Tuesday session was largely taken up with testimony of David J. Norwood, an examiner in the department, who had participated in the convention examination of the company.

During his testimony Loyd Wright questioned the sources of tabulations used in giving evidence and the original work sheets were brought into the hearing. Also during his testimony, on request of Mr. Wright, the hearing officers cautioned Deputy Commissioner Fullenwider in respect to asking leading question.

Norwood said that as of the examination date the company had 6,058 outstanding compensation cases of which 5,655 were California cases. He testified he had examined 2,413 claims files of which 2,189 were California cases and that 1,715 of these were closed, leaving 474 still open. He said that of 704 workmen's compensation cases examined 298 had been settled by compromise and release.

Airline Cover Accepted

OKLAHOMA CITY—In lieu of a required \$50,000 bond the Oklahoma corporation commission accepted a \$250,000 public liability aircraft policy from Spartan Airlines, which has recently instituted regular service schedules between Oklahoma City and Tulsa. The policy covers up to \$100,000 property damage in any one plane accident as well as \$25,000 bodily injury liability per seat up to \$250,000.

The Emerson Davis agency of Inter-Ocean Casualty in Texas is staging an "All-Out For Alpaugh" drive in August in honor of Vice-President W. G. Alpaugh.

Travelers Insures One of Three "Atom Bomb" Plants

Liability insurance service facilities are being furnished for the big atomic bomb plant at Richland Village, 40 miles from Yakima, Wash., by the Travelers companies. This is one of more than 200 unusual war risks assumed by the organization since the beginning of the war. They have included such diverse projects as the insuring of the contractor who built the docks, railroad, and other transportation projects in Iran and Iraq, contractors who operated on the Alcan and Central American highways and installations in other far parts of the world. Also included was insurance in connection with the Big Inch and Little Inch pipe lines and various munitions risks throughout the country.

Among those most interested in the announcement by President Truman and the War Department concerning the dropping of the first atomic bomb on Japan and its development by scientists working in the United States were officers and employees of Travelers who knew that the organization was furnishing insurance service in connection with the manufacture of secret weapons, but who were as much in the dark regarding the nature of the project as the general public.

Drew Men from Over U. S.

The catastrophe hazard and the cost of bodily injuries and property damage in connection with the project was assumed by the contractor with the approval of the government. Travelers entered the picture at Richland Village at the request of the contractor and the War Department, who desired an insurance organization with claim men situated throughout the country who could make settlements with persons drawn from nearly every state in the union to participate in the highly secret project. Should any of these thousands of persons be injured and return to their former homes, local claim service would have to be made available and Travelers is equipped to furnish it.

The company was approached by the contractors early in 1943 and asked to furnish the service. In line with its policy to comply with requests for assistance on war risks, Travelers agreed without any knowledge of what was being manufactured. To date, no unusual accidents have occurred, all being of the type generally associated with life in a small community.

Redeployed Service Men Can Buy Air Trip Cover

WASHINGTON—A war department spokesman says that the 25,000 service men soon to be transported by air across the United States, monthly, in the redeployment program, will be eligible to buy regular passenger accident airline insurance at 25 cents for any one-way trip completed within seven days, in amount of \$5,000. This is the same insurance available at airports to civilians, which recently was broadened to the above bases.

The Air Transport Command, it is reported, will supervise the redeployment air transportation operations, but they are being carried out by commercial air lines under contract with the army. The latter is turning over 68 transport planes and 260 pilots to fly them, for use in transporting the service personnel in redeployment.

After two years in the service during which he flew 31 combat missions Capt. J. G. Mulheran, former district manager North American Life & Casualty at Sioux Falls, S. D., has returned to civilian life and will soon resume his post with North American.

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War Brings Big Expansion in Credit Insurance Line

The war has created a vastly expanded market for credit insurance and those writing it are hard put to supply the demand, according to William T. Cline of Chicago. Mr. Cline is a partner in Schroyer & Cline which acts as general agents on credit business for London Guarantee in Wisconsin and northern Illinois, and is a partner in Conkling, Price & Webb, Chicago, general agents for the London Guarantee in all lines except credit.



W. T. Cline

In Chicago and the midwest area are a number of subcontractors, manufacturers, who are worried about the hazards of war and contract cancellation, according to Mr. Cline. They are selling prime contractors including the airplane manufacturers some of whom have become extended, perhaps against their wishes, in order to meet the heavy demand of war schedules. The principal hope of these manufacturers for post-war business is fast conversion of accounts receivable as well as the plant itself. After the war there is another war the manufacturer will be engaged in—the war of competition.

Government May Be Slow Pay

When the final cut-back has been made and the manufacture of war material stopped, the government may be slow in paying, partly due to the sheer mechanics of checking the completed portion of the contracts, which would freeze a considerable part of the prime contractor's assets. Freezing of the prime contractor may radiate to the subcontractor. The big danger is that the "freeze" may have permanent effects; if the prime contractor becomes insolvent, the subcontractor is indeed in a sorry plight unless he has credit insurance, Mr. Cline believes.

While no business now is being written against the freeze situation, credit insurance still guarantees the solvency of the seller. Some time ago, as this situation became clear, the insurers inserted a "war clause," making it a requirement of the policy that some form of insolvency be involved before a payment of indemnity on a credit loss was due. The peace time coverage operates after accounts are due and payable whether there is insolvency or not.

Lloyds and surety companies have an inexorable ban against issuing financial guarantees, yet credit coverage gives the producer the chance to offer a surety bond without collateral guaranteeing the financial condition of all the customers of the policyholder.

Warn of Dangers

One large brokerage firm and several agencies have gone over all of their accounts in the past year because they were anxious about the war situation and have notified such accounts of the dangers involved.

Old credit insurance customers have increased their liability heavily since the war began because of the larger exposure imposed by war contracts. For example, one assured's highest liability under any classification of credit risk before the war was \$15,000 but is currently \$300,000, and the firm has that much exposure in two classifications.

According to the president of one of the leading reporting credit agencies, it seems apparent that the government has not guaranteed the credit of prime contractors in any general sense; that special consideration may be given a subcontractor in a hardship case but he will have to be in a position to as-

sert his case conclusively; and though controlled payments can be made prior to the bankruptcy of the prime contractor, they may be very difficult to effect after bankruptcy.

It has been difficult to get credit ratings on many firms, either because their

statements show a fairly poor relationship of accessible assets to current obligations, or because they don't want to let their competitors know what they are doing. This has made it difficult to underwrite the business, and companies have had to get into the credit rating end in order to underwrite it. They still call for and get all the commercial credit reports they can, but when these are not available or do not give sufficient information, the insurer must check into the credit character of the risk being assumed in order to un-

derwrite it properly.

This already has wrought something of a change in the character of the coverage offered by credit insurers. Before the war they consistently maintained that they were not furnishing credit information or in any way rating the credit status of a risk. The insurers are now analyzing and passing on accounts because it is necessary in order to hold a ceiling on the line. They have had to develop specialists for various lines of business in their credit

(CONTINUED ON PAGE 28)

IF DISASTER STRIKES...



REINSURANCE

LESSENS THE SHOCK!

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A JOB WITH A FUTURE

ONE of the leading casualty-surety companies in the East has an opening for a young man (25 to 35 years of age) as Associate Instructor in its Home Office Insurance School.

If you are now (or in the recent past) engaged in some phase of casualty insurance and surety bonding which has given you at least an elementary knowledge of the business, and possess the ability to express yourself effectively both orally and in writing, you should have no difficulty in mastering the essential requirements of the position, and will be given all possible assistance in doing so.

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Please write fully of your background and experience, and enclose photograph or snapshot. All applications will be acknowledged, held strictly confidential, and photographs returned.

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Chicago 4, Ill.

ACCIDENT AND HEALTH

**Wisconsin Law to
Be Tested Soon**

MILWAUKEE—Constitutionality of the law passed by the 1945 legislature that provides for free care at a state or county tuberculosis sanatorium for residents for at least five years except those who are beneficiaries of hospitalization, health or accident insurance policies covering care on the sanatorium, is to be tested. The Associated Hospital Service of this city holds as discriminatory a court decision at Two Rivers, calling upon a patient being treated for tuberculosis in a county sanatorium to collect benefits under the Blue Cross prepaid hospitalization contract he holds and turn them over to the county.

According to H. V. Kane, attorney for A. H. S., the Blue Cross contract states the subscriber will not be entitled to benefits from it for hospitalization in an institution which does not charge. County and state officials have been notified A. H. S. will not pay bills of members entering state or county sanatoriums because of the provision in its contract, which it is maintained was drawn long before there was any idea of such a law, and also that taxing A. H. S. for free care for which the public already has been taxed would constitute double payment for hospitalization.

The matter has been taken under advisement by the attorney general's office. Authorities argue the sanatoriums collect the money from patients who are insured and not from insurance firms. Blue Cross is the only organization contesting the new law to date and no indication has been given by private hospital expense insurance companies they will follow suit. Blue Cross also has discontinued paying bills for members hospitalized in institutions of the U. S. Veterans Administration. A. H. S. has about 375,000 members in Wisconsin.

**American Casualty Names
Three in A. & H. Department**

A. A. Anderson, formerly with Continental Casualty, has been appointed superintendent of the group accident and health division of American Casualty at the home office. Harry L. Graham, formerly with Eagle Indemnity and Travelers, becomes field supervisor and will assist agents in the accident and health field. A. J. Mountrey has been appointed actuary of the department. He entered insurance with Philadelphia Casualty and has been associated with Ocean Accident, Standard Surety & Casualty, and other companies. He started and managed accident and health department of Standard Surety & Casualty. He has been instructor in insurance at Columbia University and in the Insurance Institute.

**Ill. Situation as Regards
"Wholesale" Insurance**

In tracing down a rumor that the Illinois insurance department has prohibited the issuance of life insurance on the so-called "wholesale" plan, THE NATIONAL UNDERWRITER is apprised by the department that there has been no formal ruling on this point. The law is clear, however, the department maintains, that insurers may either write group insurance or individual policies. They may write group life to groups of 50 or more employees which qualify under section 230 of the insurance code, or group A. & H. to groups of 25 or more which qualify under section 367.

All insurance other than group must be written as individual contracts between the insurance company and the insured. The department has approved policies that are called "wholesale" or "franchise" to be sold to groups that do not qualify or care to purchase group insurance. Wisconsin National Life,

for example, has recently had a wholesale policy approved.

These "wholesale" policies differ from an ordinary contract only in that an arrangement is generally made between the employee and the employer for the payment of the insurance premium by payroll deduction or some similar method. There can be no advantage allowed in the premium rate or other terms and conditions of the contract as such would be a discrimination prohibited by the code.

The same rules apply to both life and accident and health.

**Diepenbrock Joins
North American Accident**

R. G. Diepenbrock, actuary of the Missouri insurance department since May, 1942, has resigned to become connected with the North American Accident of Chicago to assist President George F. Manzelman in the organization of its life insurance department. He was actuary at the Old Continental Life of St. Louis from 1925 to 1929 and then took a similar position with the State National Life of St. Louis, remaining with it until he went with the department. He received his law degree from the St. Louis City College of Law & Finance.

**Smaller Concerns Are
Excellent Prospects**

Agents soliciting so called monthly deduction life insurance or franchise accident and health insurance that is payable on a monthly basis often neglect the smaller concerns. They have their eyes set on large enterprises and yet there are many smaller organizations employing 10 people and more that would make good prospects. After all the great organizations with hundreds of employees have been pretty well canvassed for various kinds of group insurance where there is a monthly deduction but there are thousands of smaller types that have never been solicited.

**Offer Cover to Wis. School
Children at 10c a Head**

FOND DU LAC, WIS.—The school board here is considering a proposal of the Wisconsin Interscholastic Athletic Association to provide accident insurance for 5,000 students in the grade, junior high and high schools against injuries on playgrounds and in school buildings. The annual premium is 10 cents per student. Benefits range from \$3 for the suture of a laceration to \$300 principal sum. Accidental injuries to teeth are also covered.

Wisconsin Interscholastic Athletic Association has been providing coverage for high school athletes for 15 years. Under the new program coverage is being offered to 550,000 public school pupils in the state. Thus far the schools of three cities, Columbus, Jefferson and Cameron have enrolled with a total of 1,600.

Other benefits under the new plan provide for \$200 for loss of an eye, \$100 for leg fractures, \$50 for knee cap fractures, \$15 for fractured nose, \$17.50

WANTED

A large Philadelphia Agency, with Branches at Buffalo, Albany, Newark and New York, is interested in obtaining the services of several well-posted insurance men, familiar with both casualty and fire insurance, to take over and service a sizeable volume of business. Also expect sales ability to create new business. All applications will be treated in strict confidence. Positions are permanent; offers splendid opportunity for future development. Give full details in reply so personal interview can be arranged. Address Box C-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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for dislocated shoulder, \$75 hospital benefit and maximum medical attendance, \$12.

New Old Line Director

MILWAUKEE—Folke Becker, president and general manager of the Rhineland (Wis.) Paper Co., has been elected a director of Old Line Life. He succeeds the late W. H. Ryan, Appleton, Wis. Mr. Becker is also president Merchants State Bank, Rhinelander.

Insurance in force has reached a new high of \$97,740,675, gain \$2,645,093; accident, health and hospital premiums gained 29% in the first six months; assets June 30 totaled \$30,143,023, increase \$1,050,659; payments to policyholders and beneficiaries were \$834,704 in the six months.

Aviation Rider Broadened

Massachusetts Bonding has extended the air travel coverage rider, effective Aug. 10, under policies issued in the monthly premium and railroad departments which are enumerated by form number in the rider, in recognition of rapid developments in aviation and anticipatory of growing public need for more liberal protection now and after the war. There is no extra charge for the increased coverage. The new rider covers the insured anywhere in the world as a passenger in an aircraft operated by a passenger airline on a regularly scheduled passenger trip, and also within the bounds of the mainland of North America (including islands within 50 nautical miles of the mainland) as a passenger in a powered civil aircraft which qualifies in respect to airworthiness and operation under the rider. This is deemed to extend cover to the insured as a passenger in a company-owned aircraft, chartered aircraft or a civil aircraft.

Now Standard Life & Accident

Standard Life & Hospital of Oklahoma City has changed its name to Standard Life & Accident. Capital stock is \$50,000. Incorporators are W. R. Emerson, P. C. Damen and J. E. West, all of Oklahoma City.

Scores Mail Order A. & H. Firms

Mail order companies selling accident and health insurance for fees as low as \$1 a month or \$10 a year were termed "the biggest problem in the insurance field today" by Commissioner Knowlton of New Hampshire. He has suggested to the New Hampshire citizens that they check with his department before taking out policies with mail order firms. Their advertising is deceptive, he declared, and their coverage is so restrictive that a policyholder would practically have to be an acrobat to receive an injury in the manner described in the policies they issue.

Surgical Care Plan Extended

MILWAUKEE—Extension of benefits without increased costs for subscribers to the surgical care plan of the Medical Society of Milwaukee County have been announced. The maternity limit has been lowered to nine months from 10. Payments are extended when multiple operations or a series of related operations are done, such as for removal of the gall bladder and the appendix at the same time, or for succeeding operations for cancer. Payment had been limited to \$150 for an entire series, but \$150 will now be paid for each operation.

To Erect New Home Office

MINNEAPOLIS—H. P. Skoglund, president North American Life & Casualty, announces that plans are being made to erect a \$500,000 home office building after the war. It will be located on Lowry hill adjacent to the Walker art institute. The company now owns its present office building on Park avenue, formerly the home of a multi-millionaire lumberman.

COMPENSATION

Hold Seattle Hearing on Non-Profit Concerns

SEATTLE—The appeal of 30 charitable and non-profit concerns to have house bill 107, which was enacted by the 1945 legislature, declared invalid was heard here by the joint board of appeals of the Washington department of labor and industries. The department has held that the new law brings all employees of

charitable and/or non-profit firms under the monopolistic workmen's compensation act.

Appearing for the 30 Seattle agencies was Henry Elliott, who previously submitted a brief contesting validity of the new law on 16 counts.

Principal legal objection to the law is that it was not passed as an amendment to the compensation act but separately and simply gave the benefits of the compensation act to employees engaged in "hazardous and extra-hazardous" service of charitable and/or non-profit institutions. The appeal points out the law provides for no method of assessing premi-

ums against the employers, nor does it grant exemption from common law liability of the employers, both of these provisions being incorporated in the compensation act itself.

The hearing was perfunctory. It is expected the board will decline the application as soon as the record is completed. From this rejection, the plaintiffs will appeal to the King county superior court, and in turn, either may appeal to the supreme court.

Md. Reduced Rates 9.8%

Commissioner Ensor of Maryland has announced a reduction in workmen's



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The war has shown what modern truck transportation can do by recognizing no obstacle in the efficient performance of its tremendous nationwide task. • Forced by the emergency to solve transportation problems of gigantic scope, much has been learned by an industry which enjoys an outstanding and praiseworthy record of unflinching accomplishment. That these lessons learned will be applied to peacetime transportation difficulties is an obvious conclusion. • Truck lines are equipped and ready to spread the products of America's enormous peacetime production whenever and wherever desired. And they will do the job speedily... safely... economically! • Leading owners of trucks and fleets have been quick to acknowledge the part played by Markel Service in helping to keep our supply lines moving efficiently and on time. Complete insurance protection—to which cargo coverage has now been added—constitutes a valuable asset to smooth, low-cost operation. Brokers and agents will be furnished with complete details upon request.

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he was taken into the home office, reorganization of the accident and sickness policy forms. When the key Minneapolis office became open he expressed a desire for the post. The Minneapolis agency is one of the largest in the field force. In the last three years it has almost doubled its life volume and premiums, and has more than doubled the accident and sickness premiums.

Mr. Anderson has had more than 20 years' insurance sales and supervisory experience. He was called to the Occidental home office in May, 1942, from the post of accident and sickness manager in the midwest at Chicago. His work resulted in complete revision of the A. & S. ratebook, and in 1942, 1943 and 1944 ordinary A. & S. premiums in force almost doubled and group premiums increased rapidly.

Long Experience in Business

He will assume his new post Sept. 1. He has operated previously in the Minneapolis territory. His first experience in accident and sickness insurance was with Travelers, and after sales success he advanced to supervisory positions, first with Commercial Casualty and later with Continental Casualty for whom he was A. & H. manager in the Insurance Exchange branch at Chicago and assistant superintendent of agents.

He joined Occidental in 1940 as division manager at Chicago, and under his direction the territory, including Minneapolis, had rapid increase in business.

He is past vice-president of the National Accident & Health Association and past president Chicago association.

Grady with Guarantee

Robert B. Grady has been appointed claims manager for Guarantee in San Francisco. He was formerly with the Industrial Indemnity in that city.

Mockett to Great American

J. E. Mockett has been appointed to succeed John A. MacDonald as superintendent of claims for Great American Indemnity in the Pacific Coast branch in San Francisco. Mr. MacDonald recently resigned to enter private law practice. Mr. Mockett was formerly claim manager for Associated Indemnity in Nebraska and South Dakota and more recently in that company's head office in San Francisco.

Nixon to American Indemnity

DES MOINES—H. W. Nixon, Iowa manager Maryland Casualty has resigned to join American Indemnity of Galveston. He will cover Iowa and Nebraska with headquarters at Des Moines. Mr. Nixon is a former president of the Des Moines Casualty & Surety club.

Goan Joins Soevig & Hiscox

Lloyd H. Goan has resigned as casualty manager of the Soevig & Hiscox Insurance Agency of Milwaukee to become associated with John P. Forst in Warner-Forst agency, handling the casualty business. Mr. Forst will specialize in fire underwriting. For the last eight years Mr. Goan has been with Soevig & Hiscox, and previously he was associated with the Milwaukee office of Travelers.

Tapley Farm Bureau Actuary

D. A. Tapley, formerly assistant actuary, has been named actuary of Farm Bureau Mutual Automobile and Farm Bureau Mutual Fire of Columbus, O.

Agency Head of Wolverine Mutual

Lloyd W. Clark has been appointed superintendent of agencies in charge of production for Wolverine Mutual Motor of Dowagiac, Mich. He formerly was superintendent of agents for Auto-Owners of Lansing.

Gray Back on Job

LOS ANGELES—Joseph N. Gray, formerly special agent for Phoenix Indemnity in Los Angeles, who for the

past two years has been in the army as a sergeant in the photographic section of the signal corps in France and Germany, has been discharged from service and has resumed his duties with the Phoenix Indemnity.

SURETY

Bail Bond Legislation

Remedial Measure is Passed in Illinois to Eliminate Abuses

Insurance men who are interested in bail bonds are delighted at the new bail bond law which has been signed by Governor Green of Illinois because it is expected that it will eliminate many of the abuses in that activity. The Chicago Crime Commission is giving special attention to this feature. In one instance its investigation disclosed that a professional bail bondsman who was licensed as such for many years on certificate of reputation signed by several judges was an ex-convict having served time in the federal penitentiary. Another professional bondsman had obstructed justice in collusion with

a park district policeman by bailing out a white defendant with his own money and substituting a negro prisoner.

Recognizing the deficiencies of the present law and the need for remedial legislation the Chicago Crime Commission in collaboration with the officials of the state bail bond division, the attorney-general's office and State Senator Walker Butler, drafted a new law which Senator Butler introduced. The bill passed both houses and has been approved by the governor.

The new statute vests the state bail bond division with regulatory and punitive powers, eliminating provisions in the old law which enabled unlicensed sureties to engage in the bail bond business and prohibits issuance of licenses to persons with criminal records.

F. & D. Wins Two Bonds on Washington Officials

SEATTLE—Fidelity & Deposit has been awarded the state of Washington statutory named schedule public official bond, F. A. Pokswin, supervisor of purchasing, announced following opening of bids at Olympia. F. & D. will be the controlling surety, with American Bonding as co-surety. John A. Whalley

& Co. general agent, entered the bid for F. & D.

F. & D. also was awarded the blanket bond covering officials and employees of the Washington state liquor control board. Both bonds are for one-year terms beginning Aug. 1.

The Towner rate quoted by F. & D. and 10 other Bureau companies which filed bids was the same as last year, \$2 per thousand for all departments except the military department, which took a rate of \$3.50. The other companies filing bids were American Motorists and Lumbermen's Mutual Casualty, the latter quoting an anticipated dividend.

Over 2,000 employees of 39 state departments and institutions are covered under the bond. Last year it was written by Hartford Accident and American Bonding.

Two Flood Control Bonds Written at Los Angeles

LOS ANGELES—Two contracts for construction of the El Cajon-Little Creek flood control project have been awarded by United States engineers. Winton Bros Co., Utah Construction Co. and Vinell Co. were awarded a contract for levees and by-passes on

Foreign Travel Accident Coverage

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Effective immediately, Continental offers Travel Accident insurance to Europe, Africa and the near East at new low rates. Reductions . . . ranging up to 50 per cent . . . apply to all countries in this territory.

Issued in amounts up to \$200,000.00 on any one life . . . covers air, land, sea travel risks . . . available to civilians, pilots, service personnel not in actual combat, large and small employee groups . . . easy to solicit and easy to write.

Pioneered by America's No. 1 Accident and Sickness Insurance Company, this broad, all-inclusive contract is the perfect answer to increased earnings in a new and important field. Write for details.

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their joint bid of \$2,768,432, the bonds being written on a co-surety basis by the San Francisco office of the Aetna Casualty and the Los Angeles office of Hartford Accident.

Bressi-Bevanda Constructors, and Macco Construction Co. were awarded the contract for intake and outlet structures on their joint bid of \$2,528,350, with Fidelity & Deposit and Hartford Accident executing the bonds as co-sureties through their Los Angeles offices.

C. T. Goeller, Circleville, O., has sold his agency to Paul B. Brown.

Details of Proposed Federal Surety Fund

WASHINGTON—The bill introduced by Senator Langer, S.1333, would establish a federal bonding board composed of the Secretary of the Treasury as chairman, director of the budget and U. S. comptroller general, and would create a federal fidelity trust fund of \$500,000, repayable to the treasury with 3% interest in 20 years out of earnings.

This fund would constitute the basis for issuing fidelity and other type bonds

to officials and employees of the government, including government corporations, where the law requires bonding. The board could decline to issue a bond in a particular case, in its discretion, when surety bond would be required.

The board could, with concurrence of the department head, require fidelity bonds in any office or position, not now required by law, except places expressly exempted by law from such requirement. It could determine and alter premium rates, determine losses and liability, make rules and regulations.

Bonds scheduled by the board shall be to secure performance, faithful disbursement and accounting for public property, and repayment of losses. Laws concerning approval of bonds, periodical renewal and examination, the bill provides, shall not apply to bonds issued under it.

Expenses of administration as well as losses would be payable from the \$500,000 fund, excess monies determined by the board shall be turned into the treasury, premium rates being fixed with a view to repaying that amount, also providing for a reserve.

Employees bonded by the board shall agree to indemnify it for losses. The attorney general is directed to enforce rights subrogated to the board.

The Secretary of the Treasury would be authorized to administer the act, and to require bonds on file in any government agency, except the postoffice department, to be filed in the treasury.

Within the fiscal year of its enactment, the bill provides bonded employees shall initially elect whether to participate in the indemnity fund plan or to take out private bond, but this time may be extended for a year.

289,043, including \$600,000 capital, \$1,300,000 surplus and \$389,043 voluntary contingency reserve. Unearned premium reserve is \$2,183,524 and reserve for claims and claims expense \$3,809,409.

New Stock for Guarantee

LOS ANGELES—Commissioner Garrison has issued a permit to Guarantee of Los Angeles to sell 2,040 shares of Class "B" stock of a par value of \$24.50 a share, and 340 shares of Class "C" stock of a par value of 25 cents per share to be sold in units of six Class "B" and one Class "C" shares in one unit. The total is to constitute 340 units of a par value of \$147.25 and to be sold at a cash price of \$297.25 per unit. The new stock is to be sold to present stockholders, employees and agents.

PERSONALS

Paul Clement, secretary of Minnesota Commercial Men's and noted outdoor enthusiast, is one of a group of Minnesota men leading a fight to prevent construction of a power dam on the St. Croix river. He contends it would ruin the fishing and recreation value of the stream.

Miss Mildred Prepp and Louis Micetich, both underwriters of Aetna Casualty in the Chicago office, were married last week. Mr. Micetich recently returned to his job from service in the armed forces.

William D. Chappell, manager of the Aetna plan department of Aetna Casualty at Boston, has completed 25 years with the company. He started with the company at the home office, was transferred to Philadelphia as special agent in 1921, and in 1929 became special agent in charge of the Portland, Me., service office. In 1934 he went to Boston in his present position.

Lester Beck, assistant secretary of Travelers, was in Washington this week while on an extended trip, and visited with old friends connected with the insurance industry. He was formerly head of the navy insurance division.

Walter H. Lewis, general agent at Lansing, Mich., for National Surety and U. S. Casualty, went to Beaufort, S. C., for the marriage of his daughter, Corp. Dorothy Lewis of the marine corps to Master Sgt. Morris Crosby of Waycross, Ga., also of the marine corps. Both have been stationed at the Darris Island, S. C., marine base.

Sweeney Rejoins Travelers at Philadelphia

V. V. Sweeney has been reappointed assistant casualty manager of Travelers' Fourth Street office in Philadelphia following his release from the navy. This was Mr. Sweeney's second world war. In World War I he served with the army in France. As lieutenant he was stationed a year at the Philadelphia navy yard as a divisional head in the aviation supply office. When the naval aviation supply depot was commissioned in Philadelphia in 1943, he transferred to it. Later he was made insurance officer, war bond officer and officer in charge of the special service section, personnel relations division for the depot. In 1944 he was promoted to lieutenant commander.

As a result of the death of C. F. Harding, Mansfield, O., the Harding & Loughbridge agency has been taken over by E. W. Loughbridge. It will continue under the same name.

WANTED WORKMEN'S COMPENSATION PRODUCER

Excellent opportunity, especially if familiar with retrospective or participating plans. Texas territory only. Give age and details of past experience first letter.

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EXTRA CASH
—You Can Too!

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E. T. Harrison
PRESIDENT



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12 States Ask for Experience Exhibit

(CONTINUED FROM PAGE 10)

expenses associated with employees whose work is in connection with a specific line of business are to be charged only to that line. Where employees' work is in connection with more than one line of business instructions are given as to methods of allocation of expense but the instructions point out that it is essential that the work units used as the basis for allocation be uniformly appropriate for the expenses being handled. For example, where the allocation of policy-writing expense in a branch office is on the basis of the number of policies, the number of policies used should be the number written by that office rather than the number of policies written by all offices.

EXTERNAL EXPENSES

External expense items incurred in connection with a specific line of business or specific group of lines of business are to be charged to only that line, or group of lines. In this class are allocated claim expenses, commissions, and state premium taxes.

External expense items which are direct functions of salary items are to be allocated to lines of business either in proportion to the distribution of salaries or in proportion to premiums. Social security taxes, for example, are in this class. Other expense items not incurred in connection with specific lines of business may be allocated to line in proportion to premiums if a more exact basis is not available. Examples of this type of external expense are general advertising, state licenses and fees.

While the instructions covering the five expense groups relate specifically to paid expenses, the instructions point out that unpaid commissions, premiums, claim expenses and other unpaid expenses are readily assignable to line, while all other unpaid expense should be allocated to line in accordance with the distribution of paid expense. The five expense groups are investigation and adjustment of claims; acquisition and field supervision expenses; general administration expenses (excluding all investment expenses and miscellaneous profit and loss items); inspection and bureau expenses; and taxes, licenses and fees (excluding federal income, excess profits and real estate taxes).

In addition to the requirements for countrywide premium, loss, and expense data for each line of business, the exhibit requires two supplementary reports with respect to workmen's compensation business. These are (1) a special summary of workmen's compensation countrywide expenses by function shown as a ratio of net earned premiums on the standard basis after adjustment for premium discounts and retrospective rating. A special provision also was made to allow for the distortion caused by premiums on war projects or national defense projects written under the comprehensive rating plan or at approved deviation from standard rates and for the overall effect of expense graduation; (2) a special supplement for workmen's compensation citing earned premiums and incurred losses by state on direct business only.

With the adoption of this new exhibit, New York and Minnesota will undoubtedly discontinue their past requirement for Part I of their casualty exhibits and it is further believed that all states requiring countrywide expense data for workmen's compensation only (in so-

called Schedules W) will also eliminate such duplicate requirements, since they will automatically be in possession of this data from the filing of the new exhibit. Thus, the adoption of the exhibit is a tremendous step forward leading toward uniform accounting for all casualty and surety carriers.

Some of the commissioners, notably McCormack of Tennessee, have expressed a desire to have this same system of expense accounting followed in connection with other casualty lines. As an objection to this, however, it is pointed out that while the various states have standard bases for workmen's compensation rates this is not true of other casualty lines in most states.

The exhibit grew out of a request of a special subcommittee of the workmen's compensation committee of the National Association of Insurance Commissioners, who in 1943 asked the actuarial committee of the National Council on Compensation Insurance to prepare a blank form for reporting expense experience together with instructions for obtaining such expenses on a uniform basis. In June the actuarial committee of the National Council representing stock and non-stock carriers made an initial report to the N.A.I.C. Every insurance carrier in the United States was furnished with a copy of the suggested form and instructions and was asked for comments or criticism.

Although the request for such experience data reporting originally applied to workmen's compensation it developed that to insure uniform procedures and distribution of expenses by function for carrier writing multiple lines, including compensation, it was essential that the expense distribution on all lines be reported in order to balance with the companies' total expense. This was the reason that all carriers were notified of the proposal, even though they did not write compensation, but might at some time in the future.

At the December, 1944, N.A.I.C. meeting the commissioners adopted the resolution of the workmen's compensation committee requiring the filing of the casualty expense exhibit but suggested several additional modifications. Only a few minor criticisms were voiced by some of the reciprocals.

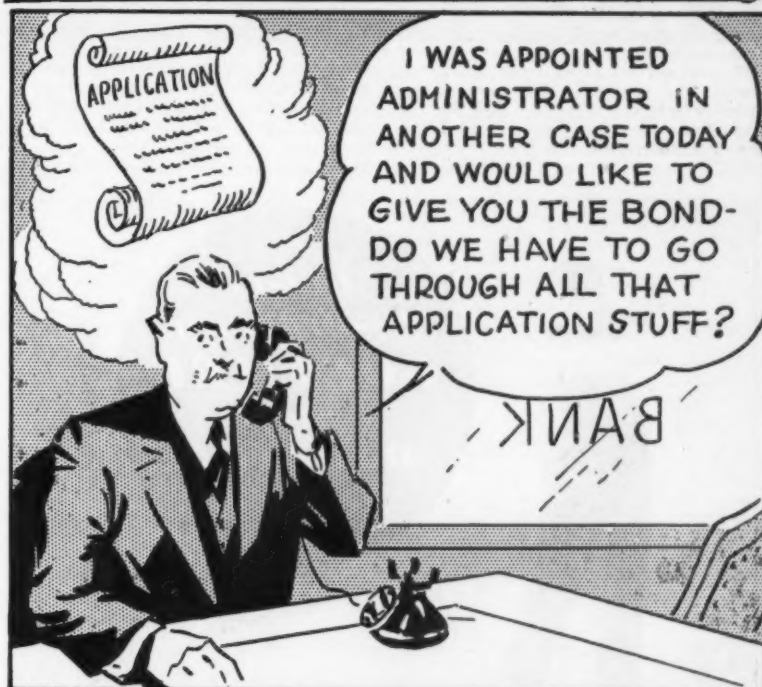
The National Council's actuarial committee, acting on the recommendations of the committees of the N.A.I.C., proposed several changes in the original exhibit and changed exhibit was adopted at the June, 1945, meeting of the N.A.I.C. One of these changes was to add two lines after the total, the first showing the effect of expense graduation and the second showing a final total, including the effect of expense graduation.

Gay to Home Indemnity; Jackson Okla. Manager

NEW YORK—Home Indemnity has appointed George B. Gay manager of the compensation department. He has had 23 years' insurance experience and has served in the compensation and liability underwriting department of Travelers and also Century Indemnity from which he resigned in 1937. He then became associated with the National Council on Compensation Insurance and was made assistant secretary in 1940. He has been manager of the compensation and liability department of Connecticut Indemnity for the past two years.

Home Indemnity has appointed Philip D. Jackson manager of its newly opened Oklahoma City office in the Mercantile building, with the Oklahoma state agency. He will supervise the state. Mr. Jackson is a native of Oklahoma and a graduate of Cumberland University. He joined U. S. F. & G. in 1936 and was investigator, adjuster and district supervisor until he joined Home Indemnity.

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War Brings Big Expansion in Credit Insurance Line

(CONTINUED FROM PAGE 21)

insurance departments, experts in radio, automobile and other fields.

The much wider appreciation of the service and protection offered by credit insurers should greatly increase the popularity of the line after the war, Mr. Cline believes. Many of those in business think that even before the war

finally ends there will be a battle of terms in business and industry. The length of the credit term offered is expected to advance from 15 days to 30 or even 90 days, which will add substantially to the risk. Many manufacturers face the necessity of going after new markets once their war business is done. Consequently they will not know the firms with which they plan to deal so well as they have known their old customers. They are going to extend themselves more. One manu-

facturer made a study of its markets and discovered that the larger the selection of its particular item on the dealer's floor, the more certain there was to be a sale of that item. A small selection often meant that there was no sale at all. Consequently this manufacturer is going to furnish its dealers with \$25,000 to \$35,000 worth of merchandise, compared with \$5,000 to \$10,000 worth in the old days. This in itself will make necessary the extension from 30 to 90 days of its current accounts with dealers. Eventually it hopes to get back to a 30 day basis, but until the new merchandise plan gets well under way, that will be impossible. The firm's need for credit insurance will be even greater after the war than during it.

tion of advertising, including art work, whether billed or unbilled.

Through credit insurance the broker becomes a business adviser, which is the plane on which he should operate anyway. There is some reason to believe that business will be further integrated after the war, Mr. Cline believes. This means mass selling in the insurance business and perhaps fewer brokers and companies instead of more. If it follows the investment business, this integration means the survival of the fittest and the best equipped.

More Automobile Claims, Higher Verdicts Expected

The deterioration of the motor vehicle equipment of the country has put a load on the claim departments of insurance companies, which in many cases have fewer adjusters and office personnel than before the war with which to handle a greater volume of losses. At the same time passage by several states of stringent motor vehicle responsibility laws faces claim departments with an increased volume of work that formerly did not get into the insurance picture at all.

One claim manager is getting pending cases cleaned up and is holding educational meetings with adjusters and office employees to refresh those who have previously handled automobile losses as to proper and expeditious procedure and to train those who have not handled automobile losses previously.

Aside from the increase in automobile claims that is coming as a result of new financial responsibility laws, this claim manager points out that for the next couple of years motor equipment will get worse instead of better, and claims will increase instead of decrease. In addition, juries have been awarding higher verdicts. They are getting into the spirit of the times by regarding money loosely, especially someone else's. The trend is likely to continue and grow for a time, perhaps two or three years. Consequently, it would be a good idea to get claims up to date, and if any are going to trial, to get them out of the way now rather than a year or two from now. Verdicts may grow larger.

Effect of Rate Reductions

WASHINGTON — War department insurance specialists have estimated that rate reductions recently recommended by the National Council on Compensation Insurance for coverage on government explosive and munition manufacturing plants may mean a total cost reduction of some \$25,000 to \$30,000 per year.

Aviation Meeting for A. & H. Group

NEW YORK—R. Leslie Cizek of Parker & Co., aviation insurance specialists, and Capt. Gill Robb Wilson of the New Jersey department of aviation will be the speakers at the "aviation night" meeting of the New York City Accident & Health Club, Sept. 20.

Mr. Cizek will talk on "Aviation Accident Insurance and Its Future," while Capt. Wilson, who is a special aviation feature writer for the New York "Herald Tribune" and has traveled in all combat areas under the army air force's jurisdiction, will discuss post war aviation.

Oregon Assigned Risk Report

PORTLAND, ORE. — During the first six months of 1945, 1,287 applications were received by Oregon assigned risk plan, 1,049 of which were assigned. Of those not assigned, 109 are pending, 17 were rejected by plan office and eight by companies; 104 were not taken by applicants.

Since the establishment of the plan in 1943, 85.23% of the applicants have been private passenger car operators. Main reasons for application are: Conviction, 24.96%; over age, 20.17%; youth, 17.85%; physically impaired, 14.38%, and race, 7%.



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MIDDLE WESTERN STATES

Mich. Fire Policy Rules Set Forth

LANSING, MICH.—Commissioner Forbes is sending a letter of instructions to companies informing them of the provisions of the 1945 act legalizing the use of the so-called New York standard fire policy.

The commissioner lists the specific provisions of the old law which are retained for the protection of policyholders and sets forth exactly what deviations from the exact letter of the statute will be approved by the department and what leeway will be permissible in arranging the policy's form. Old policy forms may be used up to Jan. 1, 1946, providing they are properly endorsed to include the provisions of the new law. It is also pointed out that a 1945 amendment of the insurance code requires that a finished printed copy of the new 1945 policy form must be filed with the department for approval or disapproval.

Can Use Available Policies

For the sake of printing economies, the department will accept policy forms containing in the title the name of any and all states using the uniform policy, although the law specifies the policy shall be designated "Michigan standard policy."

The commissioner also will approve insertion in parenthesis below the standard policy title, the words "optional coverage."

On the policy's first page, the commissioner instructs, the department will permit an arrangement providing space for listing of amounts of insurance, rates and premiums for the basic coverages insured and for additional hazards insured under endorsements, such as "windstorm and hail endorsement" or "extended coverage endorsement."

Insurance Men Cooperate in Columbus Fire School

A number of insurance companies, together with the Ohio Inspection Bureau, Western Actuarial Bureau, National Fire Protection Association and Ohio Industrial Commission are co-operating in plans for the fire school to be held at Ohio State University, Columbus, Sept. 10-15. Prof. Harvey Walker of the university will be in charge. Speakers and subjects will include:

R. G. Steinmetz, Mill Mutual Fire Prevention Association, Chicago, arson; Emmett Cox, Western Actuarial Bureau, Chicago, ventilation; R. D. MacDaniel, Grain Dealers National Fire, Indianapolis, electrical fires; Theron Wright, Ohio Inspection Bureau, Columbus, oil fires; State Fire Marshal Harry J. Callan, removal of dilapidated buildings; H. Walker, American LaFrance Foamite Corp., Elmira, N. Y., modern fire department equipment. Pictures of the East Ohio Gas company fire in Cleveland will be shown.

Fire Protection Proposal at Alliance, O., Studied

ALLIANCE, O.—Local agents have evidenced much interest in a proposed ordinance which would abrogate the fire department clause now attached to fire policies covering property outside of the city limits. At the present time, an insured living beyond the city limits is entitled to fire protection by the city fire department if he pays 60 cents addi-

tional premium and the clause is inserted in his policy. When the fire department responds to such a fire outside of the city limits, the insurer pays the city a flat \$75 fee for the service.

The new city council proposal would require both individual and industrial property owners to pay an annual fee on a schedule basis for this protection. It is pointed out that there is a heavy concentration of industrial property values just outside of the city limits on which no municipal taxes are paid. The proposal calls for 1½ mills on the tax valuation of the property to be protected. This might run as high as \$2,500 in some industries, which some believe is too much. The ordinary property owner would pay \$5 on value to \$5,000; \$7.50 for valuation between \$5,000 and \$7,500, and \$10 on valuation to \$10,000 with a 1½ mill tax beyond that.

A meeting of the Alliance Insurance Association to consider the matter was attended by Fire Chief Held and City Councilman Boyd. J. E. Bay was chairman and C. C. Eynon, secretary. A committee of three was appointed to study this and consult with the city council.

The proposed ordinance would apply to properties within five miles of city limits, including Lexington township and part of Washington township.

Many Companies Contest Wis. Premium Tax Law

MADISON, WIS.—The Wisconsin insurance premium tax law, which the 1945 legislature failed to revise although repeatedly urged to do so by Commissioner Duell, now is being contested by Bankers Life and the Central Life Assurance, both of Iowa. In addition, 44 companies have paid their annual tax under protest to assure recovery if the law is ruled invalid. The protested taxes total \$597,803, while possibly several millions which have been paid previously might be made the basis of other recovery suits. Additional suits are awaiting decisions in the two test cases.

According to insurance department records, 11 life companies have paid 1945 taxes under protest in amount of \$470,655; 16 casualty companies \$108,348, and 17 fire companies \$18,800. The largest amount paid under protest was \$325,653 by Prudential.

Wisconsin Agents to Meet in Milwaukee Sept. 24

MILWAUKEE—Following a meeting here of the officers and executive committeemen of the Wisconsin Association of Insurance Agents, it was announced that the annual meeting will be held here on Sept. 24. According to Secretary Urban Krier, the meeting will be called to comply with the constitutional requirement of holding an annual meeting, electing officers and transacting important business of the association. In order to comply with ODT regulations, attendance will be necessarily limited and the program confined to one day to avoid overnight hotel requirements.

McKay, Xenia Agent, Is Ohio Farmers Director

S. Milton McKay, agent of Ohio Farmers at Xenia, O., has been appointed a director of the company. Mr. McKay's appointment fills the vacancy occasioned by the death of P. K. Tadsen of Fort Clinton, O. Mr. McKay has represented the company at Xenia for more than 30

years and is prominent in business and civic affairs.

Krier Speaks at Merrill

MERRILL, WIS.—Urban Krier, executive secretary Wisconsin Association of Insurance Agents, spoke to the Association of Merrill Insurance Agents. The aims and purposes of the Wisconsin and National associations were explained and the urgent need of organized action was stressed to promote effective education of the public, advertising campaigns, to keep the agents advised of new legislation, forms and practices for greatest efficiency in underwriting, and generally improve the private insurance business of the country. The entire membership of the Merrill association voted state and national affiliation as did the guests, John Extrom, V. E. L'Abbe and F. P. Werner, local agents of Tomahawk, Wis.

\$260,000 Missouri Plant Fire

BRENTWOOD, MO.—A fire which started in a celluloid storage vault destroyed the 2-story Wright Leather Specialty Co. plant, 8304 Manchester road. Damage was estimated at \$60,000 to the building and \$200,000 to contents by Denver M. Wright, president of the firm. The fire followed a muffled explosion in the vault and within five minutes the flames had spread to the second floor. A short time later the east wall collapsed, as did the back portion of the west wall. A building in which the Wright company was located at 21st and Pine streets, St. Louis, Mo., was destroyed by fire in December, 1940. That fire started in a box of celluloid.

Two Agencies Are Purchased

Violet Penn, owner and manager of the A. F. Penn & Son insurance agency of Ashland, Wis., has purchased the J. F. Van Dooser Co. agency there from Viola E. Reynolds, who is retiring after 47 years in the business, and the George MacDonald agency from George G. MacDonald. Miss Reynolds went to Ashland from Cleveland in 1898 to assist her uncle, F. V. Van Dooser, and took over the agency after his death in 1912. The Penn agency was established by the late A. F. Penn in 1901, and Mrs. Penn succeeded her husband, Felix Penn, as owner after his death in 1942.

Reject Self-Insurance

MINNEAPOLIS—By a vote of three to two, the ways and means committee of the Minneapolis city council rejected the proposal of its chairman, Henry Bank, that the city establish a self-insurance fund. Those opposing the plan said they wanted more time to study the matter.

Alderman Bank cited several cities which he said carry their own insurance and argued such a plan would save Minneapolis \$25,000 a year. He claimed that experience has shown that losses paid in Minneapolis and other cities by insurance companies have amounted to less than 15% of the premiums paid.

Le Master with Hendricks Corp.

V. L. Le Master has joined the Hendricks Engineering Corporation of Chicago as engineer. He has been with the Illinois Inspection Bureau for the last 15 years as engineer, operating out of the Rockford, Ill., office. In his new position he will handle the northwest territory, consisting of North and South Dakota, Montana, Wyoming, Colorado and Idaho.

Salem, Ind., Loss Is \$40,000

A five hour fire that swept through the downtown district of Salem, Ind., destroying three two-story buildings and

doing damage to other buildings and contents, will result in an insurance loss of approximately \$40,000. One of the largest losses was to the contents of the Fair Store, which carried \$13,500 insurance and on which the estimate of loss is \$7,500. One of the buildings was insured for \$20,000 and the loss is total.

Troxell in New Location

The R. W. Troxell & Co. agency of Springfield, Ill., has moved to new offices at 411-413 South 5th street. This is a modern office on the ground floor and is just a half block from the old location in the Lincoln Theater building. The agency has a large vault so that all fear of loss of records from fire is gone. There are 11 private offices and there is ample space for the other 15 employees. Mr. Troxell and his father moved into the Lincoln Theater building in 1903.

Upper Peninsula Agents to Meet

The Upper Peninsula Insurance Agents Association will hold its first meeting in three years at Escanaba, Mich., Sept. 13 to discuss new coverages and postwar automobile insurance and financing. The meeting will last all day, and arrangements for it are being handled by the Escanaba association of which B. W. Hall is president, O. V. Thatcher, vice-president, and A. J. Goulais, president of the Upper Peninsula group, is secretary-treasurer.

Meet at Worthington, Minn.

WORTHINGTON, MINN.—The Southwestern Minnesota Agents Regional Association will resume activities Sept. 20 with an educational talk and two movies. Edgar Barton, assistant manager of U. S. F. & G., Minneapolis, will talk on casualty prospects on Main street for the small town agent. The film, "Traffic Jam Ahead," will be shown and Aetna Casualty will show a film especially prepared on auto safety.

Hail Prospect Is Problematical

MINNEAPOLIS—The small grain crop in Minnesota is pretty well harvested and out of the way as far as hail hazards are concerned but in the great wheat state of North Dakota cutting is barely begun so there is plenty of chance yet for hail losses. A large Minneapolis agency reports its company has paid out more in losses this year than a year ago at this time in both Minnesota and South Dakota.

Sather to Speak

LITTLE FALLS, MINN.—"Modern Trends in Coverage" will be discussed by Frank Sather, St. Paul Fire & Marine, at a meeting of the Central Minnesota Agents Regional Association here on Aug. 14.

\$100,000 Collinsville, Ill., Loss

There was a small conflagration in downtown Collinsville, Ill., Sunday which resulted in a total insurance loss estimated at \$100,000. Several stores, shops, and offices were involved.

Hold Fire School at St. Paul

The last of a series of 10 fire schools which the state fire marshal's department has been sponsoring this summer will be held at St. Paul this month. The schools have covered about every section of the state and have been attended by several hundred firemen.

Challoner to Reciprocal Post

R. R. Challoner has joined Aeronautic & Automotive Insurance Agency of Kankakee, Ill., as general manager and agency director. Previously he had been with Employers Mutual of Wausau,

Wis., for nine years, serving as branch manager at Philadelphia and more recently as sales manager at Chicago.

Belleville Loss \$50,000

BELLEVILLE, ILL.—A fire that started in a wooden annex at the rear of the American Legion headquarters here resulted in \$50,000 total damage to building and contents. Former headquarters of the post was the scene of a fire that did \$15,000 damage in 1937.

NEWS BRIEFS

H. W. Clark, after serving three years in the Seabees, has returned to resume his place in the Clark & Clark agency of Winona, Minn.

S. C. Hadley, Detroit local agent, has been named a member of the site subcommittee of the Detroit world's fair committee and with his associates will select a site for a postwar world's fair from eight suggestions offered.

H. L. Deuel, formerly sales manager of the T. F. Norris Company agency for seven years, has joined the staff of the Reaume & Silloway agency, Detroit.

Before entering the agency field Mr. Deuel was an officer of the Security Trust Co.

F. Dell Ziegler has opened a local insurance agency at 141 Front street, Beaver Dam, Wis.

The Anderson & Campbell agency at Toronto, O., has been dissolved and the companies have been divided between Julia B. Anderson and Harry H. Campbell.

Chester A. Cope, Salem, O., has purchased the A. W. Seachrist agency. Mr. Seachrist is leaving the state.

Western Mutual Fire of Des Moines has been licensed in Kansas.

SOUTH

Virginia Agents Association Securing Group Cover

RICHMOND—Copies of a group life insurance plan with outstanding features have been mailed to members of the Virginia Association of Insurance Agents for study and consideration. The plan was adopted at the annual

meeting in June for members and their employees. It will be underwritten by Life of Virginia. There are now 350 members.

The minimum requirement under Virginia statute is at least 75% of eligible personnel to be insured. If the plan is approved by sufficient members, a master group life policy, on the one-year renewable term basis will be issued to the association. Each member agency subscribing will pay the premium for insurance on its own personnel annually through the association.

Officers, owners and partners whose employment commences after the effective date with respect to the member agency by which they are employed are eligible on the date they complete 60 days of such employment. Sub-agents, solicitors and other employees whose employment commences after the effective date of the insurance with respect to the member agency by which they are employed are eligible for the insurance on the date they complete six months of such employment.

No employee can be charged more than 60 cents per month for \$1,000 of insurance, or \$7.20 annually per \$1,000. However, if the employee desires, he may pay the full premium. Total disability commencing before age 60 will result in waiver of premium, provided satisfactory proof of continued total disability is submitted periodically to the insurance company.

Plans for Georgia Agents State Meeting Friday

Plans are being completed for the annual meeting of the Georgia Association of Insurance Agents to be held in the Biltmore hotel, Atlanta Aug. 10. The executive committee will meet the day before. Members of the committee, the officers and past presidents will be guests of the general agents of Atlanta at a dinner that evening. At the regular meeting the next day the main speaker will be M. B. Lain, Jr., vice-president Citizens & Southern National Bank who will talk on the bank-agent automobile finance plan.

Hugh Hill of Savannah is president, A. C. Dunlap of Atlanta is first vice-president and chairman of the executive committee. H. C. Arnall of Newnan, Ga., is state national director.

To Organize N. C. Rating Bureau at Meeting Sept. 20-21

Commissioner Hodges of North Carolina has called a meeting of fire and casualty company representatives at Raleigh, Sept. 20-21 to organize the North Carolina Fire Insurance Rating Bureau pursuant to the newly enacted law. Attendance must be limited to 50 from outside the Raleigh area and hence Mr. Hodges requests that the various companies and organizations arrange for joint representation so far as possible. A casualty company writing any line of insurance that is authorized to be written by a fire insurance company is required to be a member of the fire insurance rating bureau, and is entitled to representation at the organization meeting. However, Mr. Hodges suggests that casualty companies that are affiliated with fire companies send a single representative and that casualty companies belonging to a bureau arrange for joint representation.

Revisions Made in La. Farm Property Schedule

The Louisiana Rating & Fire Prevention Bureau has issued several revisions in the farm property schedule which have been approved by the Louisiana insurance commission. There is now a rule for blanket coverage on farm products which prohibits the writing of this protection for two or more farm buildings under a single item or for farm buildings with contents. The rule for unearned premium insurance is now in-

cluded in the schedule and provides that the unearned premium clause can be attached at the inception of the policy or subsequently and may apply to one or more items in the policy. The rate is 50% of the rate applicable to the property insured.

The vacancy rule has been changed to conform with the new standard policy conditions, and windstorm and hail rates have been changed to include hail with wind without additional charge except on hothouses, greenhouses and contents. Private garages have been made subject to dwelling rates. The charges for gasoline engines and electric brooders have been eliminated.

The rule for insuring hay has been amended to eliminate the special provision for blanket coverage when the amount does not exceed 20% of total insurance or \$750. The rule also provides for the regular farm barn rate when the amount of insurance does not exceed \$750 and when written under a general farm schedule.

To Ask Slight Commission Increase in Mississippi

JACKSON, MISS.—The executive committee of Mississippi Association of Insurance Agents at its meeting here voted to continue to press for slight increases in regular and contingent commissions, "even though E. L. Williams, head of the Insurance Executives Association, has stated that commissions are too high." The association will conduct an agency cost survey by questionnaire to determine the take home pay of Mississippi agents.

The committee will urge association members to make places in established agencies for returning servicemen. The Mississippi insurance commissioner will be asked to give 30 days advance notice of rate changes. Members will be kept posted on developments in the bank-agent auto plan. No state legislation will be initiated at this time, members to watch developments.

Memphis to Take Over Patrol

MEMPHIS, TENN.—Mayor W. Chandler has announced that the city will take over and operate the 50-year-old Memphis Fire Insurance Patrol when the local and National Board abandon it on Sept. 1. The building and equipment valued at \$25,000 will pass to city ownership with assumption of the responsibility.

Dunlap & Co. at 50 Year Mark

The Dunlap & Co. agency of Atlanta has gotten out a brochure commemorating the 50th anniversary of its existence. The business was founded by the late Edgar Dunlap in 1895 after he had retired from the wholesale grocery field. The principals in the agency are James C. Dunlap, Joseph H. Singer, Charles F. Knott, Burk Sasnett, Harry L. Stearns, Jr.; Lt. Madison S. Massey and Lt. (j.g.) John M. Raine of the navy, and Maj. Calvin G. Voorhis.

COAST

Washington Department Backs Up on Work Status Rule

SEATTLE—Reversing its previous interpretation of a change in the Washington state unemployment compensation act, the insurance department announced solicitors and agents working exclusively on a commission basis would be regarded as "independent contractors" and not "employed" under terms of the act. As a result, employers of solicitors and agents working out of company offices as commission producers will not be covered under the act. Under the Washington law, em-

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ployers must pay 2.7% premium to the state up to the first \$3,000 of annual compensation.

The department clarified the status of insurance producers by ruling that all agents and solicitors working on a commission basis except those over whom there is a common law master and servant control exercised by the employer, are to be regarded as independent contractors and not covered.

The problem arose after Governor Wallgren vetoed a section of the old law which granted specific exemption to insurance agents and solicitors to the extent they are compensated by commission. He vetoed after real estate and investment interests succeeded in extending the exemption to salesmen in these two fields. However, the department's new ruling now restores the status of agents and solicitors employed on commission, with the possible exception of those few who are employed on part salary and part commission. The latter category will be scrutinized by the department, each individual case to be submitted for ruling.

New California Law Gives Control Over Licenses

Under a new amendment to the agents, brokers and solicitors license law, Commissioner Garrison of California now has authority to issue licenses for over one and under four years, and it is expected he will decide on a three-year period. He may issue licenses with perforated forms attached to be known as "intention to keep the license in force," which must be filed with the department each May 1 under a penalty of double the fee if the renewal form is received by July 31, and of requalification if received after July 31.

Life agents licenses run from Jan. 1 to Dec. 31, but under the new provision the "intention to renew" form must be in department office by Nov. 1 instead of Dec. 16, as in the past. Persons entering the business within two or three months of the normal expiration date, to obtain a license, must file intention to renew the following license period at the same time they apply for an original license.

Another provision gives the commissioner proprietary rights in any document—such as a license, and thus the power to compel surrender of a license for cause, suspension or revocation. In the past, suspended or revoked licenses have remained in the hands of the original licensees. Hereafter, even if suspended for only a few days the license must be returned to the commissioner.

The same new law also makes permanent the temporary life insurance analysts qualification requirements. However, since the law was adopted on a temporary basis no one has qualified for this status.

Monfana Agents Plan for Annual Meeting

The Montana Association of Insurance Agents will hold a conference at the Baxter hotel, Bozeman, Mont., Aug. 27-28. Four of the topics for discussion are: 1. "Servicemen's Readjustment Act of 1944 and Its Relation to the Insurance Business;" 2. "Financing and Insuring of Automobiles;" 3. "A State Rating Bill;" 4. "Habitational Tariff." E. L. Heidel of Bozeman is president. Arnold Huppert, Livingston, is secretary, and P. J. Driscoll, Butte, is state national director.

Burrell Casualty, Auto State Agent in Montana

The indemnity companies and automobile departments of the Fireman's Fund group have appointed Kenneth H. Burrell state agent for Montana. For the past five years he has been special agent of the Commercial Union group in that state and previously was associ-

ated with the Schroeder Brothers Company agency in Helena. Mr. Burrell succeeds Mark Farris, who has been in charge of the Montana territory since 1930. Mr. Farris was transferred to Portland, Ore., as manager of the indemnity and automobile operations of the Fireman's Fund group in that state.

Flournoy Back with Levison

Robert E. L. Flournoy has returned to civilian life from army service in the European theater and has joined Levison Brothers in San Francisco as accounts executive. Prior to entering the army, he was for 11 years with Geo. E. Billings Co., and for a short time with the firm of Cosgrove & Co., when the two firms merged. He was commissioned a lieutenant in September, 1943, and was sent overseas, assigned to the seventh armored division as unit commander in a medium tank battalion. After the St. Lo breakthrough he was with General Patton's third army, and later under Field Marshall Montgomery in the British army commanded 17 tanks. He was awarded the silver star, promoted to first lieutenant on the battlefield, then assigned to the ninth army. He received a medical discharge due to battle injuries.

Insurance Post of Legion Elects

LOS ANGELES—Insurance Post No. 513 of American Legion elected these officers: Commander, P. J. Gauthier, bonding superintendent Employers group; first vice-commander, Emmet O'Brien, superintendent of fire claims, Fireman's Fund group; second vice-commander, Preston Brown, Equitable Society; finance officer, Ray Staub, insurance accountant; sergeant-at-arms, J. C. Hurl, Equitable Society; judge advocate, Frazee Burke, Pacific Indemnity; executive committee,—Donald Bulger, broker; Bruce Sewell, Swett & Crawford; L. L. Brown, National Automobile Club; David Nelson, insurance appraiser. The post is participating in the Insurance Men's Bowling League for the season.

New Records in Cal., Ore.

SAN FRANCISCO—The annual report of Commissioner Garrison of California will reveal the largest gross and taxable premium income for all lines in history. The figures, subject to review by the state board of equalization, show \$637,157,118 gross premiums in 1944 before return premiums and dividends. With these two items deducted the taxable premiums amount to \$552,343,329 producing \$13,474,604 premiums tax, the largest ever to be collected.

Oregon also had its biggest year. Total premiums for all lines in Oregon are placed at \$68,900,000 compared with \$62,930,000.

McCracken Joins Agency

PORTLAND, ORE.—R. C. McCracken, Oregon special agent, Norwich Union, has resigned to take over the Arthur D. Campbell agency at Eugene, Ore. Mr. McCracken began his insurance career with the Pacific States Fire in 1918 in Portland as office boy, working up to head underwriter when the company sold the business in 1925. Since 1925 he traveled Oregon as special agent for the Lamping & Co. general agency, and for five years for Norwich Union.

Capt. Furnish to Join Father

PORTLAND, ORE.—Capt. William W. Furnish, flying fortress pilot for a long series of missions, has been given his discharge and has returned to Portland, where he plans to join his father William E. Furnish, in his local agency. Before entering the service Captain Furnish was associated with Charles W. Sexton Company.

Fruit Storage Plant Burns

Fire leveled the Apple Growers Association cold storage plant near Hood River, Ore., with loss estimated at \$125,000. At White Salmon, Wash., across

the Columbia River from Hood River a \$25,000 fire destroyed the Interstate Manufacturing Company mill while the city's equipment was fighting the packing plant fire at Hood River. Both fires were only partly covered by insurance. The fruit storage and packing plant will not be rebuilt at this time because of war curtailment of materials, and this leaves a serious problem in handling and storing the huge pear crop due soon.

Have Section in Directory

A special section in the classified telephone directory is being planned for the next issue of the Seattle book, officials of the King County Insurance Association advised members this week. Under an appropriate heading, all members will be listed. In future, the association will "key" all of its newspaper, radio and billboard advertising to the classified section by asking the public to refer to the section for competent insurance counsel.

Tag Delinquency Abated

Marked improvement in the number of delinquent fire and automobile tags outstanding is reported by Insurance Commissioner Sullivan of Washington.

Sullivan said that when the department's campaign against violators reached its crest in February, there were 1500 delinquent tags. With very few exceptions, the only tags now outstanding are current ones.

Paul Sweeney Buys Agency

LOS ANGELES—Paul Sweeney, formerly manager of the Los Angeles Insurance Association, and who, since his discharge from the army, has been managing the Foster Agency while the owner is in the armed services, has purchased the Allister M. Brown agency. He has moved both agencies to 724 South Spring street.

Names Edward Brown & Sons

Edward Brown & Sons, San Francisco general agency, has been appointed general agent for Century of Edinburgh for California.

Conclude Los Angeles Course

LOS ANGELES—The summer course of the Insurance Association of Los Angeles has been concluded. During the last six months over 300 students have attended classes, 90% receiving



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grades between 80 and 100%, while the general class averages have been over 80%. It is planned to start casualty courses early in October.

Campbell on Assigned Risks

B. K. Campbell, manager of the Washington Automobile Assigned Risk Plan, talked on the problem driver and the as-

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signed risk plan at an educational class conducted by the Washington State Patrol at Olympia.

NEWS BRIEFS

National Automobile Club reports a net gain of 9,014 members and a renewal record of 91.5% in the first six months of 1945.

Philip R. Faler, Tacoma, Wash., local agent, has joined the firm of March & Smith as manager of the insurance department.

at Minneapolis, handling the northwest territory. Mr. Cady has been in the army, having the rank of staff sergeant, and took part in the invasion of Leyte. He has two campaign ribbons, three battle stars and the Purple Heart, being wounded on Leyte. He will assist as heretofore in the management of the Minneapolis office, as well as travel the six northwest states.

J. Waddington, secretary-treasurer of the Seattle Board of Marine Underwriters, spent some time in Seattle and Vancouver last week on business.

MARINE

I.C.C. Endorsement Not Influenced by Other Insurance

NEW YORK—The Interstate Commerce Commission endorsement, BMC-32, is not affected by "excess" or "other insurance" clauses in common carriers' cargo policies, the New York court of appeals has held in York-Buffalo Motor Express vs. Rhode Island Insurance Co. The York-Buffalo line suffered \$9,800 fire damage to cargo on two trucks. The carrier previously had been insured with Rhode Island, but prior to the losses York-Buffalo received notice of cancellation from Rhode Island and secured a binder from National Fire & Marine covering each vehicle up to \$15,000.

After the fires it was discovered that Rhode Island had not given the required notice to the I.C.C., and the BMC-32 endorsement was still in effect.

Wins in Lower Court

National F. & M. paid \$7,800, but declined to pay the additional \$2,000, claiming that Rhode Island was liable for that amount. This Rhode Island denied, and in a suit by York-Buffalo the lower courts held that "the other insurance" clause in Rhode Island's policy applied, and that its liability to each vehicle was in the ratio \$1,000 to \$16,000, the total insurance, or 1/16 of the loss. This was computed at \$614.

The court of appeals reversed the decision of the lower court and granted York-Buffalo the full amount of \$2,000. Its opinion stated that the "excess" or "other insurance" clause in Rhode Island's policy could not be read into the I.C.C. endorsement which stood free and clear of such limitations. It further held that York-Buffalo properly sued to recover for the loss to its shippers and that in doing so it was a trustee and that no counter claim against York-Buffalo could be urged. The court said that in the absence of an "other insurance" clause, there is to be no prorating of liability among insurers except in a contribution action between the insurers, and that as against the insured the insurance was for the full face amount.

The BMC-32 endorsement provides among other things that defenses available to the insurer against insured shall not be available against shippers.

MacPeak, Flatow and Abrams appeared for Rhode Island, and Nathan, Mannheim, Asche & Winer represented York-Buffalo.

Lowe Inland Marine Head of Boston in New York

William E. Lowe has been appointed inland marine manager of Boston in New York City. Since 1935 he has been with the inland marine department of the New York office of North America, specializing in inland marine producing and underwriting. He entered the business in the aviation insurance field 16 years ago.

Cady Returns from Service

N. W. Cady, Jr., has returned to his duties with the inland marine department of the Phoenix of Hartford group

CANADIAN

Ontario Losses Down

TORONTO—Ontario fire losses for the first six months of 1945 totaled \$6,076,444 compared to \$6,733,823 a year ago, the insurance loss being \$5,130,611 in 1945 compared with \$5,609,870 in 1944. The industrial fire insurance loss dropped from \$1,255,453 in 1944 to \$1,011,610 in 1945.

Ontario Parley Oct. 11-12

TORONTO—The Ontario Insurance Agents Association will hold its annual meeting in Toronto, Oct. 11-12. As most of those attending will be from neighboring districts, the gathering will meet the requirements of the Canadian government ban on conventions.

Parkinson Sees Vast Change Ahead

(CONTINUED FROM PAGE 5)

have his insurance assigned to the pool. Another bill which was defeated provided for uniform commissions. He said it would be very difficult to decide what "uniform" really means.

So far, he said, Illinois has not engaged in rating procedure but he predicted that the time will come when it will be obliged to take some action in this regard. In the field of rating he expressed the hope that Illinois will follow state uniformity as far as possible.

Mr. Parkinson referred to the bill repealing the statutory provision for a standard fire policy and giving the insurance director authority to issue orders governing the policy that may be used. He said that this should be as uniform as possible when compared with similar laws in other states. Personally, he said, he favors the New York 1943 form. He expects to issue an executive order in due season approving of this policy form and then will give time to companies for adjustment to the new condition. He said an endorsement can be used to be placed on present policies giving policyholders the same features as the new form.

He commented on the new automobile financial responsibility law and predicted that there will be twice the number of people carrying personal liability and property damage insurance as at present.

Mr. Parkinson referred to the issue that has arisen in almost all states regarding taxation. In Illinois domestic companies are not taxed but there is a 2% tax on foreign companies. He said the department could not agree to remove this differential.

He observed that Illinois companies are taxed on their real estate and other property amounting to about \$400,000 on real estate alone. Therefore he thinks that the differential is justifiable because the domestic companies' taxes go to many state activities which make the business of outside companies far more profitable. This, he said, is often forgotten. Take it all in all he thinks the tax system in Illinois is fair.

He recalled that the legislature provided for the appointment of a commission to study the U. S. Supreme Court decision declaring insurance commerce

and numerous questions growing out of that decision. The commission, he said, will give very careful study to all these features. He said that he is assured that the commission will be very fair to all interests.

At the next session of the legislature he predicted that a bill would be passed providing for casualty companies to unite and decide on the proper rating program. At the present time, he said, there are differences of opinion among different types of carriers and he said these should be thrashed out in a friendly way.

Mr. Parkinson made a very fine impression on the members. He was introduced by the chairman of the group, C. M. Cartwright of THE NATIONAL UNDERWRITER as being a practical commissioner, who is taking his job seriously and giving serious consideration to the various problems that come before him. He said that Mr. Parkinson is a studious official who has tried to learn something from the various questions that come before his department.

Before being appointed assistant director by Paul Jones who was then state director Mr. Parkinson was district agent of Mutual Benefit Life at Decatur, Ill.

Would Have Telephone Number on Letter Head

In connection with the use of typed signatures at the end of a letter underneath the written one in order to conserve time of the reader in his endeavor to decipher tracks and convert them into a name, Secretary R. D. Austin of the Iowa Hardware Mutual of Mason City, Ia., commends the effort of require typed signatures in order to make the written one clear. He makes a suggestion that may be worth while in that he believes the telephone number of the firm, organization or company should appear on the letterhead. In this connection he said:

"I am often puzzled over the signatures on letters coming to our organization because of the fact that the signatures were illegible and there was no other identification on the letterhead. I presume that our company is a little bit old fashioned as we still show our directors on our letterhead and naturally if some individual cannot read the signature of the undersigned he will be able to identify it by referring to the upper left hand corner where my signature is in print.

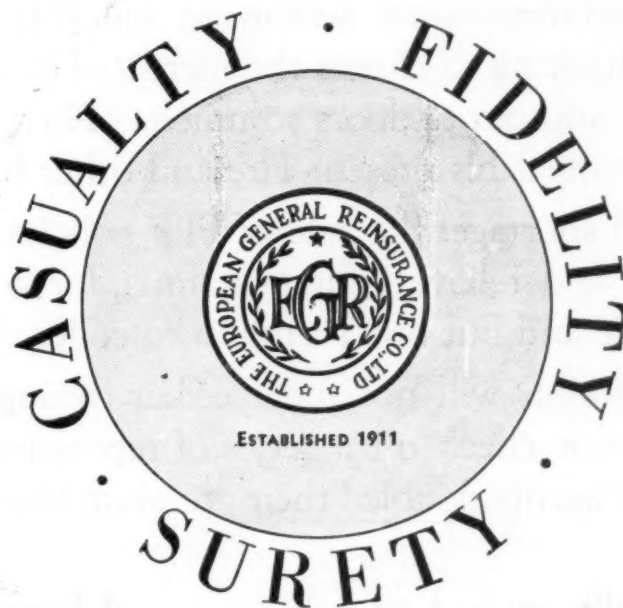
"Another thing I think is of importance is the telephone number of the firm or organization on letterheads. I found that in making long distant telephone calls to places like Chicago that if the telephone number is given our local operator the call is speeded through and in a good many cases I believe that we have preference when we are able to give the telephone number as I have found in other instances that the report will come back that the circuit is busy and our telephone call is delayed when we ask for a connection and give the firm name only. I believe that a number of concerns are getting away from the idea of printing officers and department heads' names on letterheads as well as telephone numbers, but I still feel that this information is valuable in a good many cases."

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